# Daily Report

# East Europe

FBIS-EEU-93-159
Thursday
19 August 1993

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*FBIS-EEU-93-159* *19 Aug 1993*

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## NATO Begins Training for Air Strikes in Bosnia

*LD1908000793 Belgrade TANJUG in English 2247 GMT 18 Aug 93*

[Text] Belgrade, Aug 18 (TANJUG)—NATO began practicing on Wednesday [18 August] for air strikes against targets in war-wracked Bosnia, down to launching simulated attacks, the U.N. Protection Force (UNPROFOR) said in a statement released in Zagreb, Croatia. The Agence France Presse reports that the exercise was carried out over the Moslem enclave of Bihac in northwestern Bosnia, which is a U.N.-designated safe area.

The exercise was attended by the UNPROFOR commander in former Yugoslavia, French General Jean Cot. The A.F.P. quotes General Cot as saying that the exercise was aimed at perfecting the command and control systems and establishing contact between UNPROFOR flight control personnel on the ground and NATO crews in the air. General Cot said he was completely satisfied with the exercise, according to the statement.

### UN General Repeats Criticism

*AU1908102993 Paris AFP in English 1009 GMT 19 Aug 93*

[Text] Brussels, Aug 19 (AFP)—The Belgian commander of U.N. forces in Bosnia-Hercegovina reaffirmed his opposition Thursday [19 August] to NATO air strikes against Serb forces in the former Yugoslav republic.

General Francis Briquemont said in an interview with Belgian radio: "When I look at the total confusion in Bosnia and the dispersion of my troops there, air strikes do not seem to me at all the way to solve the problem."

His remarks fueled a growing suspicion at North Atlantic Treaty Organisation (NATO) headquarters here that the United Nations is trying to block a U.S. initiative to launch air attacks against the Serbs.

They followed a sharp attack Wednesday by the U.S. Government on earlier criticisms of the air strike policy by Briquemont and his deputy in Bosnia, British General Vere Hayes.

Washington said in a complaint to the U.N. Secretariat that the remarks undercut the potential effectiveness of air strikes against Bosnian Serbs, and the cooperation between NATO and the U.N. necessary to make them succeed.

An informed NATO source, speaking on condition that he not be identified, said that Briquemont's remarks had undermined the credibility of NATO's air strike threat.

But a senior NATO diplomat said Washington retained its conviction that the NATO air strike threat remained valid "whatever you may hear from the sidelines" and that decisions depended on political, not military, leaders.

Briquemont said in the interview with the Belgian radio station RTBF: "I am not a NATO general. I'm a general for the United Nations, and I believe that as long as I am here in Bosnia, nothing will be decided without my go-ahead."

He added: "I am the commander-in-chief in Bosnia-Hercegovina, and I am totally responsible for all military actions which could be decided."

"What NATO thinks is one thing but what I and General Cot think is another," Briquemont said. He was referring to Jean Cot, commander of U.N. Protection Forces (UNPROFOR) throughout former Yugoslavia.

His criticism of the air strike policy was echoed by Hayes, who said in an interview with the New York Times this week: "What does President Clinton think he's up to? Air power won't defeat the Serbs."

U.S. Ambassador to the United Nations Madeleine Albright reacted angrily to the two generals earlier comments, saying they had no business to publicly question President Bill Clinton. But she sought to calm the row later Wednesday by insisting that the criticism did not mean the U.S. alliance with Europe was cracking.

NATO diplomats here said privately this week that they believed the United Nations was doing everything in its power to neutralise the NATO threat of air strikes and to ensure that the attacks would never be carried out.

They were speaking after an earlier row this week over controversial remarks by UNPROFOR spokesman Barry Frewer that Sarajevo was no longer "besieged" by Serb forces, although still surrounded by them.

A senior NATO diplomat said here ahead of a meeting Thursday of NATO's political committee to assess the situation in Bosnia that the threat of air strikes was very much alive, because the Bosnian capital was still cut off.

NATO agreed on August 9 to threaten air strikes against Serb forces unless they lifted their sieges of Sarajevo and other Moslem areas.

Countries such as Belgium, Britain, Canada and France were initially reluctant to back the U.S. initiative for fear of Serb reprisals against their peace-keeping troops in Bosnia.

As a result, the August 9 decision was hedged with the potentially crippling conditions that decisions to attack had to be approved by Butrus-Ghali and U.N. commanders on the ground.

## Bosnian Peace Talks Continue in Geneva

### Agreement Reached on Sarajevo

*LD1808181193 Belgrade TANJUG in English 1745 GMT 18 Aug 93*

[Text] Geneva, August 18 (TANJUG)—President of the Serb republic in Bosnia-Herzegovina Radovan Karadzic

said on Wednesday evening [18 August] that an agreement had been reached to place Sarajevo under U.N. administration.

Karadzic said that all three sides had agreed with the proposal by the co-chairmen of the conference that Sarajevo be under U.N. administration in the next two years.

Karadzic's statement has been confirmed by conference spokesman John Mills.

### Main Points Cited

*AU1908080193 Paris AFP in English 0020 GMT 19 Aug 93*

[Text] Geneva, Aug 19 (AFP)—The following are the main points of the agreement reached Wednesday [18 August] for interim U.N. administration of Sarajevo and other matters.

The arrangements agreed under the terms of the four page accord, which is divided into three sections, will not come into force until a global ceasefire is agreed.

The accord agrees:

- A. District of Sarajevo

- 1. The creation of a District of Sarajevo, whose borders are set out in a map but which can be revised by a Boundary Commission. The Commission will first look at the inclusion of the subdistricts of Cekrcici, Ratkovci, Catici, Drazevicivezi within the boundaries, followed by Kiseljak and Kresevo.

- 2. The period of U.N. adminstration is initially set at two years, but may be shorter, depending on the parties involved reaching a permanent solution to their conflict.

- 3. Sarajevo District is to have the same powers as other Constituent Republics to be established under the Constitutional Agreement, but will not be represented in the collegiate presidency. Subdistricts will have governing powers, but can be subject to U.N. control in exceptional circumstances.

- 4. A U.N. Administrator for the district will be appointed by the U.N. secretary-general. He will be helped by an Advisory Body, composed of four Moslems, three Serbs, two Croats and one representative of other minorities. The Advisory Body will take decisions by consensus.

- 5. The U.N. Administrator will establish courts of first instance and appellate courts in each subdistrict. Appeals from these courts may be taken to the Union court in the same way as appeals from other constituent republics.

- 6. The Boundary Commission will set new subdistrict boundaries within Sarajevo District using the following criteria: the boundaries existing on January 1, 1991; tentative changes in boundaries implemented after that date; the ceasefire line; population distribution; the wishes of those affected; the views of the Advisory Body and the U.N. Administrator.

- B. Police forces.

- 1. Each subdistrict within Sarajevo District will organize and control its own police force, which shall have a proportionally balanced ethnic composition and will be subject to the supervision of the U.N. Administrator.

- 2. Constituent Republics will do the same, without supervision by the U.N. Administrator. Any necessary coordination will be carried out by the presidency.

- 3. A large UNPROFOR civilian police is to be established, whose main task will be to oversee the Sarajevo subdistrict and constituent republic police forces.

- C. Protection of human rights and reversal of ethnic cleansing.

- 1. Refugees and displaced people have the right to return unhindered to their homes "as part of an overall process of normalisation." All actions made under duress, particularly the giving up of land, are considered null and void.

- 2. An International Human Rights Monitoring Commission is to be established, including a Human Rights Commissioner in Sarajevo, deputies in other parts of Bosnia-Hercegovina, as well as international human rights monitors.

- 3. These monitors will have the right to intercede in order to provide protection in urgent cases. The commissioner will submit regular reports to the secretary general of the United Nations.

### Karadzic Satisfied

*LD1808203693 Belgrade TANJUG Domestic Service in Serbo-Croatian 1905 GMT 18 Aug 93*

[Text] Geneva, 18 Aug (TANJUG)—Radovan Karadzic, the president of the republic of Srpska, said in Geneva this evening that an agreement on Bosnia was possible as early as this week providing there is enough goodwill. He stated that after a difficult, prolonged, and exhaustive debate, the placing of Sarajevo under UN administration for two years was accepted.

According to Karadzic, a permanent solution is being postponed, and in the interim period, Sarajevo will be governed by a UN administrator with help from an advisory body, which will be set up on the parity principle and which will make decisions based on consensus.

Individual municipalities will be granted a high degree of judicial, political, and executive authority and will adhere to relevant laws. According to Karadzic, under the document, during the two-year interim period, municipal boundaries will be redefined and new municipalities will be set up, and the entire community will

function as a set of municipalities with different legislature and different authorities, with the United Nations in charge overall.

If the three sides agree to it, the interim period can be extended or shortened if a permanent solution is found in the meantime.

For the Serbian nation in Bosnia-Herzegovina the acceptance of the document signifies peace, Karadzic said and went on to add that Sarajevo had been the biggest humanitarian and military problem. "Official sources told me today that everyone knows that we have been constantly shelled in Doboj, but that Sarajevo blots out what goes on in the rest of Bosnia-Herzegovina," Karadzic noted.

On the other hand, we have secured full protection for Serbian interests in Sarajevo, even better than if there had been an immediate permanent division of the city. In other words, the Serbs have reason to be satisfied, Karadzic stressed.

The president of the republic of Srpska spoke with a great amount of optimism about the functioning of future republics within Bosnia-Herzegovina, but, as he put it, he was not quite sure that certain territorial issues would be easily resolved due to unrealistic appetites and unfounded aspirations.

Since it is clear that territories cannot be claimed on the basis of the last census alone, a large amount of luck and patience will be needed. According to Karadzic, both the genocide committed against the Serbs in World War II and current realities will have to be taken into account. "I think that it will be difficult to resolve all territorial disputes, but I believe that the union of individual republics will function exceptionally well since they will have a high degree of autonomy," Karadzic said.

We do not expect the peace agreement to be signed soon in its entirety, since it is the maps that will make it complete and that will secure a total peace, Karadzic said, adding that the moment the maps were signed, there would no longer be any reason for anyone to die.

Having remarked that the Muslims have always had more success at the negotiating table than on the battlefield, Karadzic said: "We want a permanent solution even if we have to return certain territories." He explained that most of these territories belonged to Muslims and Croats, but that the Serbs were holding them at present for defense and strategic reasons.

We expect that Presidents Milosevic, Bulatovic, and Tudjman, will help achieve a permanent solution at tomorrow's talks using all their skill and wisdom as statesmen, said Karadzic.

A territorial solution has caused unrest among all three nations. Serbs should be satisfied because their republic will cover 54 percent of the former Bosnia-Herzegovina. The Serbs' main interests, Karadzic went on, are being fully preserved, and what needs to be exchanged will not be in vain.

When we talk to the people living in the territories affected by these exchanges, decisions will be made in keeping with the wishes and interests of the Serbian nation, explained Karadzic. As far as the people and the army are concerned, it is best that everyone should keep what they are now holding until a permanent solution is found, said Karadzic, and he concluded: "As far as I am concerned, it can all be over by August 21."

### Izetbegovic Threatens Boycott

*AU1908100193 Paris AFP in English 0941 GMT 19 Aug 93*

[Text] Geneva, Aug 19 (AFP)—Bosnian President Alija Izetbegovic threatened Thursday [19 August] to renew a boycott of Geneva peace talks, saying that Bosnian Serb forces remained on strategic Mount Igman overlooking Sarajevo.

"I learned just now that Serbian soldiers are still on Igman mountain, more than 100 of them," he told reporters. "We will protest that and maybe interrupt the negotiations if they don't promise to withdraw them."

Captain Georges Jacono of the French contingent of U.N. Protection Force (UNPROFOR) told an AFP reporter on the mountain on Wednesday that the Serbs had "more or less all withdrawn from the area."

Jacono said the Moslems were mounting increasing numbers of infiltrations to find out where the Serb lines are, and "in short, everyone is playing hide and seek."

The president also said that an agreement hammered out Wednesday by the three warring Bosnian factions on the status of Sarajevo, providing for an interim U.N. administration, had not settled the problem of the Bosnian capital which he said remained besieged by the Bosnian Serbs.

"The main Sarajevo problem has not been solved in this way because the problem of the siege of Sarajevo is not solved. We are insisting that this should be done without delay," he said.

Izetbegovic insisted that Serb heavy artillery around the city had to be removed, and the roads reopened.

### Croat-Muslim Talks Fail

*AU1808145393 Paris AFP in English 1443 GMT 18 Aug 93*

[Text] Geneva, Aug 18 (AFP)—Bosnia's Muslim president, Alija Izetbegovic, pulled out of talks here Wednesday [18 August] with Bosnian Croat leader Mate Boban aimed at ending fighting in Mostar, accusing the Croats of "horrendous" mistreatment of Muslims in the southern city.

"With the situation as it is, we cannot go on talking about Mostar," Izetbegovic said after a morning meeting with Boban and mediators Thorvald Stoltenberg and Lord Owen.

"A horrendous expulsion of Muslim civilians is taking place" in Mostar he said, adding that "urgent action must be taken to save lives before we can proceed with meaningful discussions."

Izetbegovic said 35,000 Muslims in the eastern part of the divided southern Bosnian city were "living in dreadful conditions and have received no humanitairian aid for 100 days."

In Sarajevo, Peter Kessler, an official with the UN High Commission for Refugees, confirmed that "the situation is extremely difficult" for Muslims trapped in eastern Mostar without food or electricity.

Stoltenberg and Owen brought the two leaders together in a bid to end a recent upsurge in fighting around Mostar that was threatening to undermine broader negotiations between the warring Bosnian factions on the partitioning of the former Yugoslav republic.

Stoltenberg and Owen implored Izetbegovic and Boban to end the fighting and allow relief convoys into the area to distribute badly needed food and medical supplies.

Mostar, which was predominantly Muslim before the Bosnian war erupted 16 months ago, is bitterly contested by both the Muslims and Croats. The latter aim to establish the city as the future capital of a Croat republic in Bosnia-Herzegovina.

In Sarajevo, UN Protection Force spokesman Barry Frewer said Wednesday that the situation in the Mostar region remained tense but there was no major fighting and the the area seemed to have stabilized.

There were explosions in the town itself the previous day, and small arms and heavy machine-gun fire was continuing in the center, he said.

Talks were nonetheless continuing here Wednesday afternoon between leaders of Bosnia's Muslims, Croats and Serbs on proposals to divide the republic into three ethnically-based ministates, a spokesman said.

### Karadzic Expects Solution Soon

*AU1808142893 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 18 Aug 93*

[Report by Natasa Ojdanic from Geneva]

[Text] Bosnian Croat leader Mate Boban and Bosnian Muslim leader Alija Izetbegovic should reach an agreement today on Mostar, for which they said after yesterday's debate that they could find a joint solution.

During the joint session, the discussion will again center on Sarajevo, which, without any doubt, is the key to the solution to the entire Bosnia-Herzegovina crisis. Of course, there are disputed territorial issues apart from Sarajevo. There are the Muslim and Croat claims in central Bosnia, the Serb and Muslim disputes over eastern Bosnia, and then particularly Brcko and Bihac.

Just like Sarajevo, the cochairmen are bothered by eastern Bosnia, where the Muslims claim the entire territory as part of their republic. The Serbian side, apart from possible enclaves that are already under UN protection, is absolutely refusing to accommodate the maximalist territorial demands of the Muslims, saying that this would be a kind of reward for genocide.

Owen and Stoltenberg believe that both sides should be more flexible in order to hurry along the final solution. However, the fact that the mediators have invited to Geneva, on Thursday, Presidents Milosevic, Bulatovic, and Tudjman, is seen here as a sign that the agreement is at hand. After all, in the invitation for a meeting, Owen and Stoltenberg say that the negotiations have reached the point when a successful outcome can be expected. Karadzic and Boban think the same, even though with a lot of reservations. The president of the republic of Srpska believes that the time has come for the Bosnia-Herzegovina conflict to end. If there is decisiveness and if big concessions are made, Karadzic can see a global agreement reached by next week.

Mate Boban see this round of talks as the last, but whether this will be the case, the next few days will show.

### Milosevic Expects End of Talks

*LD1908110793 Belgrade TANJUG Domestic Service in Serbo-Croatian 1045 GMT 19 Aug 93*

[Text] Geneva, 19 Aug (TANJUG)—I expect the negotiations to be completed and the commitment to achieve peace to be strengthened, Serbian President Milosevic said today ahead of the peace negotiations.

Anyway, Milosevic continued, you are aware that a solution was found three weeks ago when a consensus on three republics [in Bosnia-Herzegovina] was reached in Geneva. Therefore, all the delays are a result, above all, of the activities of those internal and external factors which do not want peace.

The Serbian president voiced his expectation and hope that the conference and all its participants will overcome the current situation and eventually bring the conference to a successful conclusion.

## Republicans Call For Political Calm

*AU1908072493 Tirana REPUBLIKA in Albanian 5 Aug 93 pp 1-2*

[Statement by the Republican Party Management Committee, signed by Chairman Sabri Godo, in Tirana on 3 August]

[Text] The struggle among the political parties, which has been growing in recent months, is assuming the form of street clashes. These tensions hinder us from achieving the stability that our crisis-ridden economy and the defense of our threatened national interests require. It is time to think with serious responsibility about future developments.

One of the main reasons for rising tension has been the corruption charge against Socialist Party [PSSh] Chairman Fatos Nano and his arrest.

The PSSh is led by political passions when it takes its chairman under its protection, prejudging his case. The truth is always deeply hidden. In any case, only the court has the right to release an individual from an accusation.

The PSSh decided to escalate the political struggle, leaving the parliament and boycotting local government, as soon as the report of the removal of Fatos Nano's mandate was issued. The problem of an individual, whoever he may be, cannot weigh equally in the scales with the destiny of the country. Only an African tribe can embark on total war because of its chief.

The PSSh decided to escalate "the struggle through all the means that democracy permits." In a country tired to the point of exhaustion by political struggles, sowing such a thing means reaping a whirlwind. Aggressive rallies, shows of force, shouts of "Party—Enver" and other shrieks of terrorist hysteria will arouse in the people a natural desire to defend themselves against the revanchist forces that seek a return to the past.

By leaving the parliament, the PSSh will lose the opportunity to oppose those bills that it thinks do not protect its own electorate. The electorate that chose Socialist deputies as representatives of its own interests has the right to accuse them of deserting their duties. Even if the Socialists withdrawn on the pretext that the parliament they agreed to enter is no longer a democratic forum, they still cannot escape the charge of deserting their duties. It is not up to you alone to choose the battlefield and the conditions of war.

The PSSh threatens that it will boycott the state. The boycott of the Socialists, in the majority of cases, removes the possibility of local governments making decisions by a two-thirds' majority of votes and sometimes even by a simple majority of over one half. If all the Socialist councillors abandon their duties to the people because of Nano, local governments will be paralyzed. The Socialists have a clear intention of causing such a paralysis, entailing serious administrative anarchy, for which they cannot expect gratitude from the people. Until yesterday, they preened themselves as standard-bearers for the strengthening of local government. If they take this step, democracy will find a way to a solution.

Following Papandreou's statement and certain other trends noticeable in the PSSh's politics and press, one gains the impression that this party's recently-adopted savage strategy is not free of foreign influences. It is also said that the Socialists will also find support for their activities from certain now identified political forces. The Albanian people will not forgive political maneuvers that could weaken the nation's difficult situation even further.

The Republican Party is convinced that the people will not heed the call to the Socialists' destructive rallies. The Republican Party thinks that, for the country's sake, ways must be found to calm the political situation. Above all, causes of increasing tension must be avoided.

The Nano affair does not even remotely resemble the Dreyfus affair. Let the Socialists wait for the court. If a fair and open trial is conducted and Nano is convicted, the Socialists' entire campaign will have been in vain and they will feel like a drunkard who sees what havoc he has wrought when he has sobered up. If Nano turns out to be innocent, he can return to lead his party and those who denounced him will suffer the consequences. In a democratic society, an individual's innocence cannot be established at rallies, and nor can his conviction and sentencing be decided, as has been heard at certain Democratic Party rallies. The public has the right to seek the trial of a morally dubious personality, but a court verdict belongs to the person with the legal right to deliver it. In Albania, as in the entire free world, a defendant is considered innocent until the court's final verdict. This inviolable right must be defended in every case. Only then will we have an Albania in which the citizen believes in the law, which is a fundamental condition for an advanced society.

The prospect of consultation between the parties and the president appears more remote today than even. However, we all, including the president, must ask ourselves the question of whether we are right to leave events to develop spontaneously. This political deterioration is taking place a time of a closed-down economy. Those few foreign businessmen in Albania have begun to take fright. Others abroad sit watching, like two years ago. Hopes of cooperation with Europe are declining. We are heading again toward an isolation of a new kind. Infrastructure is again being destroyed, people are being killed, and there are call for order to be maintained by force. If the political class in Albania shows itself to be irresponsible in such a situation, it will lose a historic opportunity and will deserve serious punishment.

Seriously Assessing the situation today, the Republican Party Management Committee once again calls for urgent measures.

1. Let the political parties consult with the president. A face-to-face encounter will succeed in explaining the issues that are artificially increasing tensions, and will achieve common viewpoints on national policies. In such situations, nobody has the right to seek solutions and make one-sided decisions with the right of the majority.

2. Let the parliament work for the Constitution, legal codes, and a fair solution to the problem of property, without which we cannot stat to take breath.

3. Let the government be reconstructed, correcting methods of management and government and drafting a clear plan for economic development.

4. Let the government take the necessary measures to protect order, without in any instance allowing "peaceful" rallies to turn into unauthorized demonstrations in the squares of towns. There is talk of people with unlicensed weapons. The people need calm, order, and work ....

Without swift action and deep commitment in these areas, we cannot show the country and the world any way out of the serious crisis. To permit the present situation to continue means leaving the country without the proper guidance at one of the most difficult moments in its history.

## Nano Sends 'Message of Solidarity' From Prison

*AU1808192693 Tirana ZERI I POPULLIT in Albanian 6 Aug 93 p 1*

[Open letter sent by Socialist Party Chairman Fatos Nano from Cell No. Five of Tirana prison, date not given: "I Am With You!—Message of Solidarity"]

[Text] Brothers and sisters, even though under the grim conditions of arbitrary and illegal isolation, I am with you!

I am watching, with patriotic concern, the escalation of the violence of the police state against the legitimate protests and indignation of hundreds of thousands of ordinary, suffering people, Socialists and others, throughout Albania. Deceived by the new Ballist and fascist dictatorship, they are thirsty for freedom, genuine democracy, justice, and national progress.

This new violation by the state of the Albanians' basic rights and freedoms and the beating and arrest of voters and their representatives, veterans and young people, intellectuals and the unemployed, women and children, and every opponent of totalitarianism fully justify your resistance and your mass movement in the defense of national dignity and understanding and of democratic processes in Albania.

I am with you!

Fellow-sufferers in Tirana, Kucove, Durres, Diber, Gjirokaster, Mirdite, Skrapar, Korce, Shkoder, Prizren, etc.! Your wounds, the wounds of Engjell [angel] Petriti and other Albanian angels on both sides of the border are wounds of the nation caused by the death rattle of the dictators! I am with you!

Fellow fighters, Socialists Eurosocialists, and genuine democrats wherever you are! I am with you! I am for continuing the sublime movement of December [1990] as the sole path of salvation, rescuing us from the division and fratricide of this century and bringing us, as civilized Albanians, closer to a united Europe on the threshold of the coming century!

Progressive brothers of the opposition, who like the Socialists are fighting against revanchism, try to save the Albanian nation from civil conflicts and endless repetitions of the internal cycle of revenge! The prisons of Albania, Kosova, and other places are again full of Albanians with different political convictions and different sorrows in life. However, all are united in their concern to avert a national catastrophe and to free the country from the old and new demons that have assumed power, so that Albania will not be turned into an enormous prison for its citizens and their compatriots!

We are with you, against people invested with power at home and abroad, who wish to use this power against the Albanians. Let nobody trifle with the lofty interests of the nation's democratic emancipation for the sake of their own selfish interests! Time does not wait!

With solidarity and patriotic sincerity,

[signed] Fatos Nano.

### Traffic Across Romanian Border Normalizes After Strike

*AU1808150393 Sofia BTA in English 1428 GMT 18 Aug 93*

[Text] Sofia, August 18 (BTA)—The traffic of international trains across the Bulgarian-Romanian border is normalizing as Romanian railway workers called off their strike, which started a week ago.

Five freight trains with some 160 wagons entered Romania between 11 p.m. [2000 GMT] yesterday and 6.30 a.m. local time, BTA's correspondent reported from Ruse. The traffic of international passenger trains is also getting back to normal. During the strike, only passenger trains to and from Russia were allowed to cross the border and yet they moved behind schedule.

The Transport Ministry estimates Bulgaria's losses due to the strike at 5 million leva a day (the current exchange rate is about 27 leva to the dollar).

The lines of cars and trucks waiting at border crossings in northeastern Bulgaria were reduced today, BTA's correspondent reported from Dobrich. Over 100 TIR-trucks, some of them carrying fruit and vegetables from Greece and Turkey to Western Europe, are waiting for customs clearance in a 2 km. line at the Kardam border crossing.

### Trenchev Ridicules Berov Attack Against Podkrepa

*AU1708195293 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 17 Aug 93*

[Text] Prime Minister Lyuben Berov today invited Dr. Konstantin Trenchev, president of the Podkrepa Labor Confederation, to present at a news conference the cassette he claims to have, about a secret meeting of the prime minister with representatives of the Bulgarian Socialist Party [BSP] parliamentary faction. This is what Dr. Trenchev said to our reporter Violeta (Lolosheva):

[Begin Trenchev recording] I was very much surprised to hear that the government is implementing a program. I am very glad that a program is being implemented. Personally, I am familiar with a program, but I think that so far it had not been implemented at all.

I understood from the statements of Mrs. Deyana Damyanova and the prime minister, that they are targeting our organization. It would be best for him to look in his own back yard and seek there any organization that would support him. Let him be kind enough and stop being concerned with our organization, which, thank God, is the Bulgarian organization which enjoys greatest international authority.

As far as the question of toppling the government is concerned, I cannot hide the fact that we have a certain experience in toppling cabinets. If we decide to topple a cabinet it will not remain a secret for a long time, and we would certainly do it our way. [end recording]

### Grain Shortage To Be Offset By Export Ban

*AU1708162893 Sofia BTA in English 1422 GMT 17 Aug 93*

[Text] Sofia, August 17 (BTA)—The bread- and animal-feed grain harvest is expected to fall 280,000 tonnes short of the projected needs in 1993 and 1994, Mr. Radko Petrunov, head of the Processing Industry Department of the Agriculture Ministry, told a press briefing today.

The ministry expects a 5.2 million tonne grain harvest this year, including 3.6 million tonnes of wheat, 950,000 tonnes of barley, 650,000 tonnes of maize etc. The ministry projects that bread production will take 1,600,000 tonnes, sowing will need 430,000 tonnes of seeds, the brewing industry will use 180,000 tonnes of barley, and stock-breeders will need 3,050,000 tonnes of animal-feed grain. The needs will thus total 5.6 million tonnes.

Statistics show that just two years ago Bulgaria produced 4,497,000 tonnes of wheat and 2,775,000 tonnes of maize, which was nearly 1.5 and 4.5 times, respectively, more than the harvest expected this year. Despite the abundant harvest at that time, the country again experienced a grain shortage, experts recall, blaming excessive grain exports.

To cope with the likely shortage of 280,000 tonnes, this week the Agriculture Ministry intends to suggest to the Council of Ministers to extend, until September 30, 1994, the temporary ban on the export of bread- and animal-feed grain and their derivatives, introduced in March 1993. Farm experts say this measure is inevitable because of the available resources.

For the time being, the ministry believes it is only necessary to import animal-feed grain. Bread grain, however, may also have to be imported, Mr. Petrunov said. Merely 817,000 tonnes, or 50 percent of the amount needed for adequate food supply, have been purchased from producers so far. The reason is the steep rise of wheat prices which at places reached 2,900 leva/tonne. Despite the quota set by the government, the ministry cannot oblige processing enterprises to purchase grain at this price because this will inevitably push bread prices up. The ministry experts expect a possible grain exports ban to result in a normalization of grain prices on the exchanges because most private companies are buying grain at high prices, hoping to sell it abroad. If the situation does not normalize despite the suggested measures, the ministry will propose an exemption of grain imports from customs duty until the country gets the required quantity, Mr. Petrunov said.

### Poll Indicates Rising Confidence of Private Business

*AU1808121393 Sofia BTA in English 1118 GMT 18 Aug 93*

[Text] Sofia, August 18 (BTA)—Private companies are already well established in Bulgaria's economic life and they are winning over new footholds. This is the

apparent conclusion one can make, judging by the results of a recent poll which the Centre for the Study of Democracy (CSD) held with elite businessmen. The results are published in today's STANDART NEWS.

The poll covers 734 business executives and partners in larger and smaller private companies operating in different businesses all over the country.

Unlike the state companies which are burdened by huge debts and a decline of their production, most of the private businessmen—83.5 percent, consider that their enterprises are profit-making. Investments in the private production sector tend to be growing: Almost 19 percent of the companies have invested from 100,000 to 1,000,000 leva in their activity, more than 8 percent have invested over one million leva.

Most private businessmen are optimistic about the development of their companies in the short term. About 54 percent of them expect this year to be better than the last one in this aspect, 27 percent believe it will be the same as the last one, and only 14 percent expect 1993 to be worse than 1992.

University graduates account for 57 percent of private businessmen and most of them hold university degrees in economics or engineering, while 31.4 percent of the interviewed have primary or secondary education. Most often companies are managed by middle-aged persons, but there are a lot of young executives too.

One of the most typical signs showing that the private sector has been expanding is that people are being increasingly employed by it. The share of the private economic sector in the country's economy comes up to 18-19 percent. Most often it is families that start private businesses of their own. Only 2.3 percent of the private companies employ more than 100 people. However, a large part of the private companies intend to enlarge their personnel. According to sociologists, the opening of new jobs is expected to be most marked in medium-size companies operating with 20 to 100 employees now.

According to private businessmen, privatization is the second priority in Bulgaria's economy following the recovery of production. Compared with the results of polls held last year, the number of persons who intend to buy state property has grown. However, there is a definite preference for two sectors mainly—tourism and trade, because the rate of return is much quicker. 41 percent of respondents believe that the lack of funds is an obstacle to their taking part in privatization.

According to the interviewed, the problems of private business arise mainly from the operating economic legislation and the state administration's actions. Almost all the respondents believe that the state should encourage private business in the country and provide Bulgarian producers with a leeway against foreign companies' competition.

### Czech, Slovak Army Chiefs Discuss Army Division

*LD1808200493 Prague CTK in English 1713 GMT 18 Aug 93*

[Text] Zitkova, South Moravia, August 18 (CTK)—Visiting Slovak Army Commander Major General Julius Humaj met here today with Czech Army Chief of Staff Brigadier General Jiri Nekvasil to discuss questions concerning the division of the former Czechoslovak Army.

Humaj said that the division of military archives was the last big task to be settled in the process of the division. He asked Nekvasil to hand over the part of the archives in which the Slovak Army was interested as soon as possible.

I have accepted Nekvasil's invitation to visit Prague with great satisfaction, Humaj said, adding that the talks were very accommodating. He praised the highly organised and democratic division of military materiel and combat equipment as well as of military educational institutions between the czech and Slovak armies. I take the liberty to say that we have fulfilled the decision of our political representatives concerning the Czechoslovak Army division very successfully, Humaj told CTK, adding that what now remained was to complete transporting military equipment to new locations.

Humaj pointed out that military educational institutions in the past were primarily located on Slovak territory. We have eleven military schools, and their transformation is currently under way. I would welcome it if Czech students too are trained in these schools in the future, Humaj said.

Nekvasil said that he had purposefully chosen the Slovak Army commander for his first meeting with representatives of two neighbouring armies. The two armies should serve as a stabilising element during the division of the former Czechoslovakia's property, Nekvasil said.

### Klaus Says ODS Not Linked to Setina's Appointment

*LD1808191493 Prague CTK in English 1552 GMT 18 Aug 93*

[Text] Prague, August 18 (CTK)—Czech Premier Vaclav Klaus told journalists today that the Civic Democratic Party (ODS), of which Klaus is chairman, had nothing to do with the appointment of Jiri Setina as prosecutor general.

We have never attached ourselves to this person, nor do we, Klaus said.

He was responding to questions about whether the ODS agreed with other political parties and organisations, such as the Left Bloc and the Christian Democratic Union-Czechoslovak People's Party, who have called for Setina's dismissal.

The daily "RUDE PRAVO" reported last week that Setina had provided false and misleading information to Prague housing authorities in order to obtain preferential treatment in obtaining an apartment in the capital.

The chairman of the Left Bloc's deputies group, Jaroslav Ortman, has said the Left Bloc would call upon parliament when it reconvenes in September to dismiss the chief prosecutor unless Setina resigned before that.

Klaus also said he could not as premier take a stand on the question because he was not the prosecutor's superior.

He also pointed out that it was two ODS coalition partners—the Civic Democratic Alliance (ODA) and Christian Democratic Party (KDS)—who had nominated Setina for the post, not the ODS.

### Klaus Dissatisfied With Financing Health Care System

*AU1808114393 Prague CTK in English 1923 GMT 16 Aug 93*

[Text] Prague August 16 (CTK)—At a press conference following his meeting with Minister of Health Ludek Rubas, Czech Premier Vaclav Klaus expressed his dissatisfaction with the system of financing health care in the Czech Republic.

The entire system, Klaus said, is based on the passive financing of all costs submitted by the ministry, and the government is seeking a way to halt this. He added that he was not satisfied with the increase in the number of health care procedures being performed.

Klaus said that the government, together with Minister Rubas, was searching for a system which would stop motivating doctors to carry out the maximum number of health care procedures. Klaus added that he and Rubas have some ideas which, however, he declined to detail.

In any case, Klaus stated, the government wants to change the current system of financing health care as of January 1, 1994. Rubas said that the value of payments for individual health care procedures should be decreased.

The introduction of outpatient fees should, according to Rubas, limit unnecessary visits to the doctor. In this way the cost of health care would be lowered and the rate of health insurance decreased.

### Report on Romanies Concludes 'No General Solution'

*AU1808132293 Prague MLADA FRONTA DNES in Czech 17 Aug 93 p 2*

["(jem)"-signed report: "It Is Allegedly Impossible to Find General Solution to the Problem of Romanies"]

[Text] Prague—There is no general solution to the problem of the Romanies. This is what the report on the Romany problem says, a report that the government has taken note of.

Nevertheless, experts consider that individual Romanies who make an effort to adapt to the surroundings in which they live should be given a chance.

The Czech Republic is one of the small group of countries that granted the status of ethnic minority to Romanies. In the Czech Republic, 33,000 people said they were of that nationality, other Romanies said they were Czech, Slovak, Hungarian, or some other nationality. Is is estimated that there are some 200,000 Romanies in the Czech Republic.

Demographic research has shown that the Romany population has the characteristics of the population in the developing countries. Compared with the non-Romany population, there are almost twice as many children in the Romany community, and four times fewer old people. The health conditions of Romanies are worse. Therefore, the Romany minority does not live as long as the rest of the population.

The inability to adapt to life in Czech society is considered the main problem of the Romanies. Romanies often live in isolation, to which the enduring negative attitude of the surrounding population contributes. According to the report, the public's negative attitude toward Romanies has got substantially worse in some regions since 1989.

Because of the Romanies' lack of adaptability, many members of this ethnic group have no qualifications, and it is difficult for them to find work. They turn to crime. According to the Interior Ministry's records, however, the Romany crime rate has declined recently. It is currently at 15 percent, which is 2 percent less than last year. In the police's opinion, all citizens of the country must respect the law to the same extent, and that is why it is not necessary to deal with the Romany problem separately.

From the viewpoint of social needs, the state has the same attitude toward Romanies as toward any other citizen, the report states. At the same time, it also says that measures taken to help Romanies meet with aversion within this group, or the inability to make use of them.

One of the most important negative phenomena among Romanies is lack of education. The Ministry of Education is trying to influence this situation by subsidizing schools that have specific projects. This year, it is expected that 1,730,000 korunas will be spent on that purpose. Some 2,272 korunas per pupil is designated for pre-school education.

## Commission Agrees on 'Total Separation' of Church, State

*AU1808113993 Prague CTK in English 1954 GMT 16 Aug 93*

[Text] Prague August 16 (CTK)—The coalition parties' commission for resolving questions arising from the relationship between the church and the state agreed on the total separation of the church and religious societies from the state at its meeting today, Deputy Ludvik Motycka told journalists.

Motycka said that the representatives of the coalition parties decided that the church and religious groups should be spiritually and politically completely independent of the state, and should have the same approach to financial resources as other humanitarian, social and educational organisations.

The commission will discuss the question of restitution of church property on Thursday [19 August].

## Economy Minister Says Transformation 'Running Smoothly'

*AU1808111593 Prague CTK in English 1630 GMT 16 Aug 93*

[Text] Prague August 16 (CTK)—The process of economic transformation is running smoothly and there is no reason for any fundamental changes, Czech Economics Minister Karel Dyba said at a press conference today.

The rapidly increasing amount of machinery and equipment being imported proves that the economy is undergoing a profound restructuralisation. Such imports increased by 40 percent in the first six months of the year compared with the same period in 1992.

Revenues from tourism increased by some 50 percent in the first six months of the year over 1992, generating some 600 million USD. On the other hand, a drop in the number of visitors was recorded this June when compared to June 1992. Dyba pointed to the low quality of services such as restaurants and the fear of increasing crime as warning signs in the tourist industry.

Consumers can now see a more competitive spirit on the market, Dyba pointed out. In talking with foreign investors, he said they have observed a certain sink or swim attitude on the labor market which many times contributes to poor discipline and creates high wage demands. Foreign employers value the professionalism and adaptability of Czech experts.

## Trade Union Decides To Lodge Constitutional Complaint

*AU1808112693 Prague CTK in English 2005 GMT 16 Aug 93*

[Text] Prague August 16 (CTK)—The Czech-Moravian Chamber of Trade Unions (CMKOS) will lodge a complaint with the Constitutional Court in connection with wage regulation introduced by the government July 1, the CMKOS Presidium decided unanimously at its meeting in Kamenny Privoz, near Prague, today.

CMKOS Spokesman Vaclav Jurina told CTK that the form in which the complaint will be lodged will be decided by the CMKOS Council at its session August 30.

The CMKOS Presidium has taken a stand on the fulfillment of the general agreement in the first quarter of this year, however the CMKOS's position would not be made public until August 19 when the Council of Economic and Social Agreement will gather for a session, Jurina said. We do not want to publish our stand before it is submitted to the Tripartite Council, he added.

The Tripartite general agreement concluded annually by representatives of the government, unions and employers is aimed at their close cooperation in economic questions to preserve social peace in the country.

## Government Retreats on Article in Slovak-Russian Treaty

*LD1808212493 Prague CTK in English 1858 GMT 18 Aug 93*

[Text] Bratislava, August 18 (CTK)—The Slovak Government has retreated from its insistence on the controversial Article 4 of a draft Slovak-Russian treaty which would limit Slovakia's sovereignty, according to a statement handed to CTK today by representatives of three Slovak opposition parties.

The statement was signed by representatives of the Christian Democratic Movement (KDH), the Hungarian Christian Democratic Movement (MKDH) and the Alliance of Slovak Democrats.

Last week, the KDH voiced objections to Article 4, which would obligate both parties not to provide their territory to anyone in case of a conflict between one of them and a third party, arguing that this provision would threaten Slovakia's sovereignty. The KDH proposed convening an extraordinary parliamentary session to discuss the draft before it was initialled.

Representatives of the three parties say in the statement that they have postponed their effort to convene an extraordinary session by a week in order to meet with the foreign minister or with Premier Vladimir Meciar or a deputy premier to discuss the issue.

At this meeting representatives of the parties want to clarify the government's goals. If they are certain that the draft treaty would not harm Slovakia's international interests, they would not insist on convening the extraordinary parliamentary session, the statement says.

## Gasparovic Comments on Russian-Slovak Treaty Preparations

*LD1808164493 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1000 GMT 18 Aug 93*

[Text] Speaking at a news conference given by the Movement for a Democratic Slovakia [HZDS] today, chairman of the parliament Ivan Gasparovic, when commenting on the removal of Hungarian road signs in southern Slovakia, said that the law is unequivocal on this matter. As long as there is no amendment, the current legislation remains in effect. He also voiced a similar view about the proposed referendum on the reintroduction of the death penalty. In his words there is no criminal offence that can not be punished by the existing penal code. He also spoke about the expected start of the parliamentary session on 22 September, and the preliminary agenda, which should include 28-30 items. Some of the questions related to the prepared Russian-Slovak treaty and the Marcelova case are the topic of an interview granted by Ivan Gasparovic to Anna Vargova.

[Begin recording] [Vargova] Mr. Chairman, in an interview granted to Radiozurnal yesterday, you mentioned in a few words the prepared Russian-Slovak treaty. After having studied the treaty in detail and meeting the Russian ambassador, do you think the treaty should be signed in its present form?

[Gasparovic] Experts should meet after the 23d and complete the draft of the contentious issues that have been pointed out, especially as far as Article 4 and the preamble are concerned. I think that the preamble is acceptable for the wording of the treaty. The stipulations of Article 4 have been discussed with the ambassador of the Russian Federative Republic. His view was unequivocal in the sense that the article did not represent an obstacle to any kind of initiative accompanying the drafting of other bilateral treaties by the one or the other republic that is a participant to this treaty. He did, however, admit the possibility of this treaty not necessarily being a part of such an agreement.

[Vargova] Some political parties have argued that the treaty could include a clause on financial compensation for economic and environmental damage caused by the occupational forces in 1968. This was resolved by some of the treaties signed by the Czechoslovak and Russian federations. Do you conceive of any reason why these problems need to be dealt with in any additional way?

[Gasparovic] It is difficult to think of any other reason. During the division of the republic we decided that we would accept all international agreements and treaties signed by the Czechoslovak Federative Republic with its partners. This is one of those treaties and an agreement on the compensation for damage caused by the presence of the Soviet Army on the territory of the Slovak Republic has already been signed as far as we are concerned. [end recording]

## Meciar on EC Association, Russian Treaty

*LD1708190593 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1000 GMT 17 Aug 93*

[Interview with Slovak Prime Minister Vladimir Meciar by correspondents Magda Pospisilova and Anna Samelova from the government office in Bratislava—live or recroded]

[Excerpts] [Passage omitted] [Correspondent] The most important point on the government's agenda today is the European agreement on the association of the Slovak Republic with the European communities. I would like to recall that we need a new European agreement since the association agreement concluded by the former Czechoslovak Federative Republic in December 1991 had not been ratified prior to Czechoslovakia's demise. Hence, the obligations ensuing from the agreement could not be passed on to the successor states—the Czech and Slovak republics. Mr. Prime Minister, the European agreement on Slovakia's association is such an important matter, and, at this moment, there are probably only a few who are aware of its consequences. Do you think that a referendum on the issue would be feasible?

[Meciar] It is in the interest of the Slovak Republic to conclude this agreement. Our intention to conclude it confirms our line of development toward the EC and confirms the sequence of steps within the next 10 years. [passage omitted] The government contemplated holding a referendum on joining the EC or on the overall trend toward it and discussed whether the referendum should be held later, when joining the EC would be debated, or now, when we have to carry out steps leading to it. [passage omitted]

[Correspondent] Does it include all standards and norms?

[Meciar] Yes, all legal norms, several thousand of them, technical standards, the organization of services, banking, finances, social relations, social welfare—all of this has to change. That is an enormous intervention into the social system. This intervention is important to us since by 2004, we have to reach a starting point at which we can then apply for direct membership.

Another related issue, which is important to us, is Slovakia's foreign policy. It is still being occasionally doubted at present, but it should be finally acknowledged and resolved by the agreement. For example, this agreement does acknowledge the minority issue in Slovakia as being resolved and it lists standards against which the minority rights should be assessed. [passage omitted]

[Correspondent] And what about the referendum? What was the government's decision? Will there be one, or not?

[Meciar] The government has decided to brief parliament on the details of this agreement, since it is necessary for the deputies to know it very thoroughly. Next, the government has decided to initiate a meeting with top EC representatives so we can obtain an idea of what we are aiming for. [passage omitted] The government did not and cannot decide about a referendum. [passage omitted]

[Correspondent] Mr. Prime Minister, did the government manage to keep or include in this European agreement the advantages gained by the former Czechoslovak Federative Republic after November 1989?

[Meciar] First, Czechoslovakia's association agreement has not been ratified. We agreed that its validity would be extended [as heard]. The ratification will take place now. The agreement will become a binding norm on the ratification. There is a certain difference between this and the first agreement in that this agreement includes an addendum on the mandatory observation of human and civil rights, with the suspension clause allowing for the abrogation of the agreement if these rights are not observed. At the same time, this agreement defines procedures. In this respect, the agreement offers some certainty and guarantees. All advantages embodied in the original documents have been expanded and preserved. Something more has even been added. For example, we cannot open our market in the same way as Western Europe does. We epect that the development will be imbalanced in that the West European markets will open to us sooner and will be more liberal than the opening of our own market, where some protective measures will have to remain in place for a certain period to balance the mutual influence of these economies.

[Correspondent] Mr. Prime Minister, while you are at the Radiozurnal microphone please explain, among other things, the contentious issues regarding the prepared Russian-Slovak treaty, which became topical over the last three or four days. According to our information, the government still does not have this treaty. Why?

[Meciar] The Russian-Slovak treaty constitutes an adoption of the Czechoslovak-Soviet treaty. It was not ratified by the Federal Assembly when, in the process of re-assessing international undertakings, both countries concluded that they actually needed the treaty and that the former treaty should be taken as a basis for the new one, with amendments. Now, working commissions are discussing what should be deleted and what should be retained from the old treaty, when should the (?draft be finished), and when it should be made ready for signing. As things stand now, Mr. Yeltsin is due to visit, and I am going to go to Russia. Mr. Yeltsin will be on a working visit here. The final date for our president's visit to Russia has been postponed; the visit will not take place in September. Thus, there is still sufficient time to discuss the treaty. Until it leaves the offices of experts, the treaty does not constitute a ministerial stance, let alone that of the government or parliament. Thus the whole hulaballoo whipped up around this issue is counterproductive, unnecessary, and can be affected by high temperatures. In my view, it is Carnogursky's prattle, and this is actually getting on my nerves.

[Correspondent] Mr. Prime Minister, you have already said that Boris Yeltsin's official visit to Bratislava, to Slovakia has now become a working visit, which means that ideological aspects are beginning to have an economic impact.

[Meciar] Just between you and me—considering all the talks we had with Russia—there exist no ideological relations. On the contrary, we agreed that Slovakia would join NATO, we agreed that we would join the EC, and we agreed on Slovakia's orientation. We must, however, take into account other factors, too. These are the enormous vastness of the Russian market and the energy and raw material dependence on Russia. For example, our present day transit [via Russian gas pipeline] is several million cubic meters of gas, and we need to quadruple this amount. We will have to negotiate it. Oil will be flowing to our country from Russia whether we like it or not. Furthermore, a large number of our producers was oriented in particular on the Russian market, and they are experiencing a crisis, because this market is closed to them.

Everyone will be affected if the state budget ends up with a deficit. That is why I am developing a massive effort to open the Russian market, where we could export our goods. This would reduce the pressure on the state budget, whose deficit would be offset by increased revenues. And so, those who are foiling my efforts can themselves explain to tens of thousands of people the reason for their lower income. [passage omitted]

The treaty with Russia, which is being prepared and which (?tackles these issues), the so-called grand treaty, does not have to have the clause in Article Four [specifying that Russia should apologize to Slovakia for former injustices]. So far, it has not been through the amendment motion stage, however. Agreements that are being prepared by me personally and that will be negotiated by me personally in Russia are aimed at our gaining energy and raw material resources for two purposes: first for us, and second, for Western Europe. Furthermore, we wish to reach a negotiated agreement on goods exchange, which would make it possible for both Slovakia and Russia to introduce a certain model of trade relations, which has so far not been used anywhere else and which would enable us to pay for goods with our own goods. This would be based on a certain conversion based on the dollar and would result in an effective trade exchange.

Power-political aspects have gone. Everyone is interested in trade. The Americans, the French, the Germans, the British are going to Russia. We are already there, and so, let us stay there and help all of those who are going there to make appropriate profits in Russian territory, even with our help, with our dedication, knowledge, and the know-how that we have in this region. Thus, given all the facts, one of the factors is that development in Russia, even though it is ridden with contradiction, should be heading for democracy. We must not isolate the forces wanting democratic changes in Russia. We must support these forces.

[Correspondent] Well, having said this, you told us about the agenda of your visit on 16 August. There are certain signals indicating that the visit is changing from an official visit to working one. What could one expect? Could it be said that it is not we who are thinking about signing or not signing this agreement but, following much contradictory information in Slovakia, it is the Russian side that is in no hurry to sign the agreement.

[Meciar] Of course. The Russian side takes things as they are. [passage omitted] We have to strive for a mutually beneficial bilateral agreement, which would respect all other international relations. The fact that the visit has changeed into a working visit and that the visit by President Kovac will be postponed is determined by some other things as well. I do not consider the problem that has been artificially created by Carnogursky to be serious enough to make us panic on either side and act accordingly [words indistinct].

[Correspondent] Thank you. Mr. Prime Minister.

## Meciar Interviewed on Current Issues

*AU1708161093 Bratislava NARODNA OBRODA in Slovak 13 Aug 93 p 7*

[Second of three installments of interview with Prime Minister Vladimir Meciar by unidentified NARODNA OBRODA correspondents, "recorded by Martin Hric," in Bratislava on 10 August: "With Whom Are You Ready To Come to an Agreement?"]

[Text] [Correspondent] Mr. Prime Minister, we would like to return to economic issues. Many people's impression is that we are up to our knees in mud, but the head does not know it for it does not see as far as the shoes. Its eyes are fixed on a distant and brighter future, a practice to which we are accustomed from the past. What is the government's strategy, and sequence of steps, for getting the economy out of the mud and what means are available to it? Our citizens would like to know how to get out of it. This is, after all, the best way to prevent social unrest, the occurrence of which requires very little, given the current development of living standards.

[Meciar] We must become clear about what we want. The economic strategy and the tactics of our course of action are known. The problem is that there exists no single ingenious step that would change the situation overnight. We are talking about hundreds of consecutive steps, which, however, do not yield immediate results. The government has set itself 360 specific tasks for the second half of the year, a third of which concern the legislative sphere. Yet we are being constantly challenged and the government is being asked what it is actually doing. The departments of foreign affairs, transport, social affairs, and so forth, including finance, all have their precise concepts.

What we need is to introduce norms [znormalizovat] into the laws of the market. A businessman buys goods from the producer. He sells them for cash, but, rather than paying his supplier, he buys himself a BMW. We are taking measures against that. According to our laws, not paying bills is not a criminal offense. Yet a bill that is not paid for constitutes a criminal offense everywhere in the world.

Consider the stability of the Slovak koruna! For months we were discussing the introduction of an import surcharge but nothing was done and it all ended with the koruna being devalued.

The change of ownership, that is, privatization, is another issue. We must reassess the means [of privatization] so as to privatize in the optimal way. There are still two contradictory tendencies. Whereas the state owns and is responsible for everything, the enterprise sphere's hands are not tied and it can do as it pleases.

[Correspondent] Will this not trip up the government?

[Meciar] It could trip it up. This also depends on what sort of support the government will receive, and from whom. If any other government came along—would it be

facing different conditions? Would it come out with different recipes for the solution of problems? We have the project of territorial reorganization ready. This project could be implemented by the end of the year. But who would venture on this in the event of early elections? In the economic and social spheres, too, a number of unpopular measures need to be taken. Should we postpone them and conserve or even deepen the agony just to look fine before the voters? Or should we risk social upheavals? Time is too expensive a commodity. In my opinion, it is fairer toward the citizen to lose points in the next elections, if this is to be the price that must be paid for laying the foundations for a system that only the future will duly appreciate.

[Correspondent] We realize, of course, that neither the present government, nor any other government, has a magic wand to produce miracles while one waits. But we also have understanding for the citizen, whose experience with promises of a bright distant future has been disastrous. How can one get out of this dilemma?

[Meciar] I repeat—time is our formidable adversary. The transition from a communist economy toward a market economy is manageable. Although there exists no model that we could copy, we have no choice but to master this process. Many reproach us for our supposedly exaggerated social compassion. Indeed, 83 percent of the state budget is earmarked for social purposes. What will be left for investment in the future? We have a Swedish social security system but decidedly post-communist revenues from a deformed economy.

[Correspondent] What you have just said does not sound very optimistic?! [punctuation as published]

[Meciar] Possibly. But all the more optimistic are the analyses or prognoses of foreign experts. Our potentials and prospects are being assessed as very good by experts from Germany, France, Great Britain, the IMF, the World Bank, and so forth.

[Correspondent] We are being asked whether there exists an economy anywhere in the world that the IMF helped get to its feet.

[Meciar] Let us not always rely on saviors from the outside who will rescue us without us having to do anything. The $90 million from the IMF [recently approved for Slovakia] will help to open the doors. The IMF's trust will help us obtain further credits. But it will also permit us to issue 20 billion Slovak korunas to restore the "clogged" financial flow without running the risk of inflation. It will depend exclusively on us whether the commercial banks will once again use this issue to grow rich or whether the funds will get into enterprises that are capable of recovering.

[Correspondent] Do you assume that the people who already find themselves at the very bottom of the social net will understand the need for more sacrifices?

[Meciar] Perhaps they will, if we explain it to them. Devaluation was discussed at three government sessions. We resisted it tooth and nail for six months. Even that is a success. Resisting it any longer was impossible. We are now about to start selling apartments for social prices. We are even being criticized for that. It will apparently be necessary to sit down with you journalists, and I am prepared for that, to discuss individual packages of problems—the economy, privatization, foreign policy, the Army and the defense doctrine, agriculture—for the government to present its views and confront them, through the media, with the attitude of the citizens.

[Correspondent] We come across the view that too many resources are being redistributed by the state. But while the production sphere receives a very small slice of the cake, the extensive chains of go-betweens devour too big a slice. Is the government availing itself of any systemic steps to reverse this cancerous anomaly?

[Meciar] Your question actually provides the answer. Certain redistribution is necessary, and the trade unions demand an even greater redistribution. In order to preserve the redistribution, we have opted for a state budget deficit. For quite some time now I have been aware that, even if the government takes steps in its economic policy that are useful and inevitable, they will not be successful unless they are accepted by the citizens. That is why we have established transformation councils. They will analyze the transformation not only of the economy, but of the entire society, to a different type. The councils, which include researchers from universities, the academy of sciences, and other institutions, will start working in a few weeks. Today we are not dealing with the question of how we are going to live tomorrow. The problem confronting us today is how well we succeed in preparing ourselves for the tough competitive European environment that we will enter in the near future. Not only Slovakia as a whole, but every company must have a clear conception and plan. The Slovnaft refinery has started cooperating with the OeMV [Austrian Petrochemical Corporation]. What will be the result of this cooperation? What will be the specialization in production and the division of markets? A failure to resolve these questions satisfactorily would mean the destruction of a good company.

[Correspondent] Not all neighbors are the same. We are linked with the Czech Republic by a common history and by many economic, cultural, and emotional ties. What is the present state of [Slovak-Czech] relations and of the division of property and what is your personal rapport with the Czech prime minister?

[Meciar] I will start from the end. I and Vaclav Klaus have respect for each other. We are tough opponents on contentious issues, but are always businesslike and fair. If we do not succeed in achieving something, we at least discuss it on the telephone and say: "I cannot achieve that." A case in point was the meeting [of the Central European Initiative] in Budapest and the position displayed there by the Czech representatives, without any

previous consultation of mutual positions. On the other hand, I harbor a feeling of resentment against Czech propaganda, which is constantly shoving Slovakia somewhere where we are not and where we have never been. Since January 1993 our trade with the Czech Republic has not fallen by 40 percent as is being claimed but by 18 percent. The decline will continue for a while but soon there will be an upturn.

There is good coordination of our foreign policies. Here we are able to come to an agreement, as is demonstrated by our common approach to relations with the EC and the Council of Europe.

As for the division of property, we are not satisfied with the Czechs' continued retention of the remainder of our portion of the former federal gold reserves and of the gold of the Slovak State. We disagree with the Czech side's idea of dividing the federal budget deficit. Not even the international audit, which is looking into the matter only from the viewpoint of accounting, will lead to a realistic settlement. Let me give you an example. A factory had been built in the Czech Republic to manufacture equipment for [the Ukrainian ore dressing plant at] Krivoy Rog. In keeping with the territorial principle of division, this factory belongs to the Czech Republic. The demand is unacceptable to us that we pay the Czech Republic for it once again in korunas. Our debt is, in our opinion, substantially lower than the 24 billion korunas arrived at [by the Czech side]. Another problem concerns the archives and intellectual property. The division of Army property and the division of property in the security sphere is coming to an end and there are no problems there. The Transportation Department is still only calculating the property division, although, apparently, certain matters will never be settled justly, such as Czechoslovak Airlines and the merchant fleet.

[Correspondent] What is the agenda of your coming visit to Moscow, what are the prospects of Russia repaying its debts, and how would you assess our chances of gaining access to the Arab markets?

[Meciar] The trip is motivated exclusively by the economic interests of Slovakia and by nothing else. A large part of our production used to be oriented toward the eastern market, from which we can also acquire a mass of needed raw materials. We must revitalize this market. Gas and oil will continue to flow from east to west, and not the other way around. It will be necessary to build new routes. The French, Germans, Italians, and Austrians have indicated to us that we ought to be more active in tendering for these routes. Their construction would create jobs and their subsequent operation would be a significant source of income. Slovak participation in gas extraction from new deposits [in Russia] is being considered. The implementation of this project would generate a production program for several Slovak factories. Russia is buying ready-made clothes from the United States for $100. The same clothes are being made in Trencin for $55. If we sold them directly for $60, we would make $5 and the Russians would save money. The agenda of the visit includes extensive talks with the Russian prime minister and his first deputy about the method and system of further economic cooperation.

[Correspondent] And what about the Arab markets?

[Meciar] Iran is reconstructing its economy—, not the Army, mind you(!) [punctuation as received]. Together with Bulgaria, we belong to those postcommunist countries that enjoy trust there, which might lead to advantageous economic contracts. There are also the Maghreb states—Algeria, Morocco, and, above all, Tunisia—as well as Jordan and Syria. In the case of Syria, too, a purely civilian economic cooperation is involved. For understandable reasons, we have not reacted to the indicated interest in military deliveries. Our relations with China and Japan also look promising and contacts with the United States are improving.

[Correspondent] Let us change the subject: The last academic year started without there being a minister of education. Will this situation be repeated this year, too? When will this post be filled and by whom? Are there any signs that the universities will be unable to fulfill their objectives, owing to a lack of finance?

[Meciar] Look, 20 percent of graduates are graduating in fields that no one needs. From society's viewpoint, this is wasted money. Compared with other countries, we have a low student-teacher ratio. Comenius University has realized this and is increasing the number of students. We are reckoning with interventions [zasahy] in the staff of the Ministry of Education. The ministry has not drafted a single future-oriented program in a year. Its staff spent three years working on a bill that was not passed. Also some research institutes are literally discrediting the ministry. Why should we finance a research institute that assesses two books in one year? We also reckon with substantial staffing cuts at district school administrations. The money saved will be allocated to teachers. It will be unthinkable, however, for a dean or a rector to decide on the extension of studies and to ask the state treasury to finance it.

[Correspondent] And what about the appointment of a minister?

[Meciar] The candidates are known. Some of them have turned down the job, however, while others would accept it on condition that the ministry is divided into two—a ministry in charge of primary and secondary schools and a ministry in charge of universities and science. Quite a lot of professional interests are at play here. The appointment does not depend on the outcome of the coalition talks. The Slovak National Party [SNS] has given up its interest in this position and is instead interested in the Ministry of Defense.

[Correspondent] Mr. Prime Minister, an unpleasant personal question....

[Meciar] There exist no unpleasant questions. Every question provides an opportunity to explain one's position. The only question that embarrasses me is "How are you?" What am I supposed to reply to that?

[Correspondent] All the better. The political concepts of [Coexistence Chairman Miklos] Duray and [Hungarian Christian Democratic Movement Chairman Bela] Bugar are, in your opinion, lacking in loyalty toward Slovak statehood. You object to [Christian Democratic Movement Chairman Jan] Carnogursky because the Christian Democratic Movement [KDH] did not vote for [Slovak] sovereignty and a constitution and for the law on ending the federation. [Party of the Democratic Left Chairman Peter] Weiss, in turn, is being reproached by you for relapses into the past and for his unwillingness to share the responsibility for the further development of Slovakia. And during the unsuccessful coalition talks, even [SNS Chairman Ludovit] Cernak became discredited in your eyes, not to mention [Alliance of Democrats leader Milan] Knazko and his group of deputies. With whom then would you be ready to come to an agreement?

[Meciar] Of course, the reservations that you mention exist. Our movement is being analyzed by everyone from all angles. The other parties are not being analyzed as closely. But it is like with a wife. There exists no ideal woman. Even the best of women have their faults. Nonetheless, you do marry her. We must do what is objectively possible today. A functioning minority government that would have the support of at least 91 parliamentary deputies is objectively possible. The formation of a coalition government would be a contribution if it brought new positive elements. The idea of a coalition with the SNS, for example, was based on the proposition that Slovakia's national democratic development has not been completed. It is necessary to continue this process, and a prerequisite of its continuation is precisely an agreement between the Movement for a Democratic Slovakia [HZDS] and the SNS on this issue.

[Correspondent] What remains to be done, in your opinion, for this national democratic development to be completed?

[Meciar] The building of statehood must be completed internally—in terms of institutions and personnel and in terms of finalizing the philosophy of state policy. However, this ceased to be the leitmotif of the coalition talks. Instead, our partners became interested in acquiring a dominant position in privatization.

Our objections to the Party of the Democratic Left [SDL] concern its approach toward the ending of the federation, but we do not ideologize these objections in any way. And the KDH? When we were in opposition, we supported Carnogursky in parliament on crucial beneficial steps. The KDH's opposition role seems to me to be rather destructive. [KDH's economic expert Mikulas] Dzurinda has been an advocate of devaluation from the start [of the separate Slovak currency]. When we carried it out, he severely criticized us for it. Even if we implemented the KDH's own program to the last letter, they would not find one good word for us, only words of criticism.

[Correspondent] And what about the Hungarian parties?

[Meciar] We fully respect everyone's right to his own viewpoint. Yet the dominance of the philosophy of a great Hungary in southern Slovakia is unacceptable to us, and also to Europe. It would be a second greater Serbia. Some documents drafted by the Hungarian parties about there being two state-forming nations in Slovakia confirm our misgivings. Nationalistic programs are not programs for the future. And we cannot form a coalition with parties whose program is alien to this state.

As you see, our possibilities of acquiring a coalition partner are slightly problematic. Regardless of that, however, we must do our job. Moreover, even if we did agree on a coalition [with the SNS], its results would be short-lived. All right, together with the SNS we would have 80 votes in parliament. But how many weeks would it take for six or eight of our deputies to be bought? Yes, I am talking about buying votes, not about political convictions. A certain instability in the political system is only a reflection of the fact that Slovakia does not have a stable social structure. From this instability ensues the volatility of parties and movements. Their programs at the beginning and at the end of the electoral term are completely different.

The proposition that a party should control the state is completely flawed. Look at communism or even present-day Italy. The parties are clamoring for a share in power. But they have a share in power! They are in parliament and parliament is a power structure! But they are interested in getting into the executive bodies where something different is at stake....

[Correspondent] What should the SNS do for the coalition talks to be resumed? Your proposals for filling the vacant positions in the government are supposedly on the president's desk already. Could you say anything about that?

[Meciar] The proposals are there. We have agreed with the president that he would assess them at the end of the coalition talks or after his return from vacation. You cannot have a situation forever where the prime minister also performs the duties of his own deputy for economic affairs and, on top of that, those of the minister of privatization. Indeed, it will be a minority government—but let parliament pass a vote of no confidence in it, if it has a realistic idea of what needs to be done in the coming hours and days.... During the coalition talks, the SNS offered us experts from the Association of Industry. But the truth is that we are in contact with the association and do not need any mediator for it.

[Correspondent] The divisions within the SNS will make it easier for you, as a minority government, to govern, will they not?

[Meciar] The SNS did not split during the coalition talks, it was divided long before that. I have drawn Mr. Cernak's attention to that. In some districts they [Cernak's group] do not have anyone behind them, except the chairman of the district organization. As for the situation in the SNS leadership, the number of people who support Cernak is closer to 6 than 16. I am convinced that laws will be passable in parliament, even though forming a coalition government is very difficult today. That is why the [opposition] parties seek early elections. But there is the risk of the citizen growing tired of this political game and of only a third of voters coming to the polls. In that case the article on the proportional distribution of the remaining votes would become applicable. And the HZDS would perhaps be even better off than it is today.

[Correspondent] Mr. Prime Minister, could we return to your statement about there being five options in the event of the failure of the coalition talks? Apparently, their failure has become a fact. The SNS could do an about turn in parliament and agree with the opposition on one point—passing a vote of no confidence in the government.

[Meciar] There exists some kind of a pervasive influence in parliament, which operates regardless of political parties. It is highly probable that, in the event of a vote of no confidence in the government, some deputies would not respect the instruction of their party leadership. But let me repeat an important question—what would happen the day after the HZDS's changeover to the opposition? On what basis would today's opposition unite? On personal sympathies? Or on their share in privatization?

[Correspondent] In spite of that, do you reckon with changing over to the opposition, even if this were to be only the last, fifth option?

[Meciar] Look, there have been attempts to break up the HZDS from the outside. But it was we who laid down in our program the existence of factions, so that differences in views can be vented openly. The existence of a strong movement with a wide-ranging spectrum of views is possible, even on the basis of this diversity, as long as there is a common denominator. I am of the opinion that the chances of Milan Knazko and his group in politics would have been far greater if they had stayed in the HZDS, for example as a faction. The fifth option—our changeover to the opposition—is conceivable for us, but it would bring about literally a stalemate. We cannot do that if we care about the citizen, even though politically we would greatly profit from getting rid of the responsibility for the difficult period that is still in store for us. In defiance of election results, during the coalition talks the SNS demanded a one-to-one ratio on the radio and television councils and preponderance in the banking council. How could we accept that without invalidating the election results?

[Correspondent] In spite of everything, there are signals that the HZDS has found itself at a crossroads. Which leaning will prevail, to the right or to the left—toward social democracy?

[Meciar] Traditional political structures are experiencing a crisis worldwide. The fiasco of communism has more or less eliminated the influence of the communist left. The influence of social democracy is declining, too, although former communists are assimilating its ideas. The influence of the right is growing more on the electoral rather than on the traditional political principle [sentence as published]. A new center will be taking shape in Europe within the framework of this regrouping—and that is where we would like to be. I have carefully studied Clinton's electoral platform. So many points in it are identical with our program that, had the elections in our country not been held prior to the U.S. elections, we might be suspected of having copied them. Liberalism is in vogue today as a response to the experience of the years of totalitarianism. But I do not believe that it has any long-term prospects.

### Interview Continues

*AU1808121693 Bratislava NARODNA OBRODA in Slovak 16 Aug 93 p 3*

[Third and last installment of interview with Prime Minister Vladimir Meciar by unidentified NARODNA OBRODA correspondents, "recorded by Martin Hric," in Bratislava on 10 August: "Let Us Start Talking, Let Us Stop Attacking"]

[Text] What is your view of the relationship between the state and political parties?

[Meciar] We will have to regulate this issue legislatively. I am of the opinion that the state must control the political parties' conduct of economic affairs—in the interest of the public, of the citizen. The parties' revenues, lobbying, and interests will otherwise become undecipherable and nontransparent.

[NARODNA OBRODA] But even the Movement for a Democratic Slovakia [HZDS] has a debt of 90 million Slovak korunas, according to our information.

[Meciar] It is not that much, but we do have a debt. And, mind you, we are the ruling and supposedly uncontrollable party. The opposition parties have huge assets. Have you ever asked yourselves from where they have their income? We spoke about lobbyism. President Clinton says that there are 80,000 lobbyists in Washington. Companies and interest groups include the financing of lobbyists among their costs. The U.S. President is of the opinion that they should be financed from taxed profits.

The world is politically unstable, and so is Europe. And that little piece of the world that is our homeland is not better off than the rest of the world, it is rather worse off. I would like to initiate talks among political parties in

order to put an end to personal or party attacks and to discuss problems, exclusively on a businesslike level, that worry citizens and require a quick solution. We can argue about which concept or solution is better. But let us put an end to the attacks of one party on another and one politician on another because, after a while, people will not be able to stomach us!

[NARODNA OBRODA] Mr. prime minister, four years ago we pompously cut barbed wire at the border with Austria, today we are placing stones at the border with the Czech Republic. Did you foresee such a development?

[Meciar] In the talks with Vaclav Klaus [on partition of the the federation] we were considering a border system similar to that of the Benelux countries or one that would be even more liberal. We did not foresee any border stones or customs houses. We were reckoning with computers at the border to register the movement of goods, which would be done by a simple insertion of a card. However, in pursuing his centrist policy Klaus must contend with the extreme right, which is pushing for a tougher policy against Slovakia. It proceeds from the hypothesis that the Czech Republic will get into Europe faster without Slovakia. I have no evidence to support the claim that some higher, global interest was behind the division of the republic. Neither Germany nor Britain were in favor of partition. The view of French Prime Minister Balladur that first it is necessary to demarcate new realistic borders in Europe, and that only these new borders must be guaranteed, has taken us slightly by surprise. However, his view has not been accepted internationally.

[NARODNA OBRODA] What was it, in fact, that caused the downfall of the idea of a real union [of the Czech Republic and the Slovak Republic], which figured in first place in the HZDS electoral platform?

[Meciar] We did not find in the Czech Republic a single political force, to which this model would be acceptable. [Former chairman of the Czechoslovak Social Democratic Party Jiri] Horak's people were opposed to the idea as a matter of principle. [Chairman of the Farmers' Party Frantisek] Trnka's people, too, told me: "The sooner you go, the better." I approached [Liberal Social Union Chairman Ladislav] Dvorak. He only said: "Divide!" Svoboda, chairman of the Communist Party of Bohemia and Moravia, was well- disposed to the idea, on condition that I convince his party's rank and file. Just imagine me touring communist meetings in Bohemia and Moravia to win allies for the idea of a union....

[NARODNA OBRODA] One rarely sees you in the company of the president of the Slovak Republic. There is talk about a presidential center of power being built. Is there anything that has impaired your mutual relations?

[Meciar] I do not know of any event where we would not see one another, except the celebrations of the Slovak Heritage Foundation in Martin and the undertaking organized by SLOBODNY PIATOK [reference to a recent "Politician of the Year" award ceremony, organized by the weekly SLOBODNY PIATOK, which Meciar left before the arrival of President Kovac]. We meet regularly every Monday, together with the chairman of the National Council of the Slovak Republic and other representatives. Legislation assigns to the president and the prime minister different duties and areas of responsibility. His and my agendas correspond to those different duties. The considerations about a presidential system are supported by the instability of society and of the social structure. This instability is not conducive to the stabilization of parties. And parties that are not stable cannot stabilize parliament. That is why there exist ideas about transition to an American-style presidential model, which would stabilize at least executive power. The Bulgarians, Russians, and Poles have already assimilated some elements of that model.

[NARODNA OBRODA] Do you not perceive the president as a rival, at least a little bit?

[Meciar] For God's sake, definitely not! I have been offered all kinds of positions, including those of federal prime minister and federal president, and some of you will remember how I reacted. I do not have such ambitions. Moreover, the president has responsibility but fewer possibilities and means are open to him.

[NARODNA OBRODA] Would you run for the office of president if we were to change to the U.S. system? The president's role would be considerably different.

[Meciar] I will be candid—I do not know.

[NARODNA OBRODA] Why do you not like Markovic [a television comedian who satirizes Meciar and the HZDS]?

[Meciar] Why on earth should I have to like him? I like Noga, Skrucany, and the Kopytovcovs. [television personalities]

[NARODNA OBRODA] Did you see their last program?

[Meciar] No, my wife saw it. She described it to me in detail and it amused us both very much. Every comedian pokes fun at the mistakes of those in high places. It does not bother us. However, Markovic's too limited targeting bothers me a little—it is all just Meciar, Nagyova [the prime minister's secretary], and the HZDS. The fact that he is reluctant to understand the meaning of Slovak statehood particularly bothers me. He casts doubt on the democratic nature of our system—but it is broadcast anyway. What kind of totalitarianism can this be if he is allowed to carry on like this?

[NARODNA OBRODA] It is the dream of every satirist to be banned by the government and thus become a living legend...

[Meciar] Here is another quote for which I cannot like Markovic: "Dummies will vote for dummies, but for even greater ones than themselves." Is every voter who

does not vote according to his way of thinking a dummy? Is this a comedian or another Pezlar [ideology chief during the normalization period]? Who gave him license to divide the nation into voters-dummies and voters-non- dummies?

[NARODNA OBRODA] Now for a very personal question, although an obviously hypothetical one: What is your idea of the perfect vacation, if there is such a thing?

[Meciar] Perhaps I will disappoint you—I am not interested in Florida or the Bahamas. My ideal is to spend the night in the peace and quiet of a cottage—to sleep as long as I want and away from the telephone. And when I wake up, I want to spend a couple of days with my family without being disturbed.

[NARODNA OBRODA] Is it not possible even for the Slovak prime minister to get his own way with such a minimalist program?

[Meciar] I do not know; I have not tried it. I would consider it irresponsible. Parliament convenes at the beginning of September and many things have to be prepared.

[NARODNA OBRODA] In conclusion, what was your attitude toward Alexander Dubcek?

[Meciar] He was a great authority for us, and for me. I first met him as a union functionary at a Youth Project in Kolarovo. A mutual friend from Trencin was supposed to have organized a meeting in 1988. It fell through; Dubcek considered the establishment of further illegal structures to be premature and not contributing to anything. We got to know each other personally in January 1990. Although he criticized me for being fiery and prone to outbursts, I considered our relationship to be very congenial. A certain misunderstanding arose when we asked him to campaign for the HZDS. Mlynar and Pelikan [protagonists of the 1968 reform movement] conveyed to him a request from Willy Brandt to campaign for the social democrats. According to my information, Willy Brandt did not know about his "request." However, I do not want to cast doubt on Dubcek's affinity toward social democracy, regardless of this. He himself told me that campaigning for the social democrats did not mean a political career. He gave priority to campaigning for our future.

[NARODNA OBRODA] However, a less respectful comment by you about Alexander Dubcek spread like wildfire through the press?!

[Meciar] Yes, from a HZDS meeting. I read out in my own voice—since I do not have another one—a question from a participant, which was an opinion. The question read out by me was given publicity. I cannot deny my own voice. However, since that time, I have let the moderator read the questions. It is not that I have become illiterate; there is a reason for this.

[NARODNA OBRODA] Now, at last, the final question: A top politician should be capable of self-irony. Are you capable of this?

[Meciar] I do not know how to answer this question. If I say yes, you will say that I consider myself to be a top politician. There is—perhaps—just slightly more political satire and humor in our republic than in the Czech Republic. We have already discussed my reservations about Markovic and my preference for the Kopytovcovs. Your Jakubec [NARODNA OBRODA's political cartoonist] draws sharper caricatures than Jiranek [MLADA FRONTA DNES' cartoonist] does in the Czech Republic. Nevertheless, I am afraid that the only person who spreads jokes about Meciar is Meciar himself.

[NARODNA OBRODA] Well, go on, tell us some!

[Meciar] What am I—your editor? Think up some jokes about Meciar yourselves, in your work time.

[NARODNA OBRODA] We thanked the prime minister for his direct answers, and promised that we will work hard on jokes about him in our work time.

## Government Approves Agreement With EC, Book Regulation

*LD1708190893 Prague CTK in English 1754 GMT 17 Aug 93*

[Text] Bratislava, August 17 (CTK)—The Slovak Government approved an agreement on the association of the Slovak Republic to the European Community (EC) at its session here today.

Slovak Premier Vladimir Meciar told journalist during the break that he planned to initiate in the near future the establishment of a post of minister without portfolio responsible for bringing Slovak legislative norms and government resolutions in harmony with EC regulations. Meciar has not revealed the name of his candidate for the post.

The government approved regulation on providing text books to pupils, under which parents will have to pay for text books of students in primary schools, state-owned secondary schools and religious primary and secondary schools. An exception will be made for the pupils of specialised primary schools, special schools and reform schools. The regulation will take effect as of September 1.

Meciar stressed that parents will not lose more than 200 Slovak crowns (some 6.5 USD [United States Dollars]) a year. He said that the director of a school could lower the cost of text books for pupils from socially weak families or provide them free of charge. He, however, did not specify whether the government regulation binds directors to do so or if it will be up to them to decide. He also did not specify the term socially weak family.

## Budget Deficit Not Real, Foreign Currency Reserves Grow

*AU1808104293 Bratislava REPUBLIKA in Slovak 14 Aug 93 pp 1, 3*

[TA SR report: "Budget Deficit of the Slovak Republic—14.1 Billion Korunas"]

[Excerpts] Bratislava—According to preliminary data, at the end of July, the budget of the Slovak Republic showed a deficit of 14.1 billion korunas. [Passage omitted]

Milos Nosal [Finance Ministry official] spoke in an interview for TA SR about certain problems in the creation of financial resources. This was evidenced on the enterprise level by a slowdown in the cash flow—as a result of insolvency, and on the budget level by a shortfall in revenues and subsequent escalation of the deficit. Compulsory clearing of the enterprise claims should significantly reduce the enterprise insolvency.

A potential source of revenue that could significantly reduce the budget deficit of the Slovak Republic, is the outstanding payments from businesses for both last year's and this year's taxes. If the treasury received the 13 billion korunas these businesses owe the state, the budget deficit would be practically eliminated.

Foreign currency holdings of the banking sector in Slovakia grew in comparison with 1 January. While, including the holdings of the National Bank of Slovakia, they stood at $818.8 million at the beginning of the year, there was $1,366.4 million on 11 August. According to information from National Bank of Slovakia representatives at today's news conference, these figures do not include gold invested abroad.

According to Vice Governor Marian Tkac, following the devaluation of the Slovak koruna, the National Bank of Slovakia purchased $30.3 million. It intends to regularly publish the data on the development in the foreign currency holdings of the banking sector in Slovakia.

## Government Approves Report on Fulfilling 1993 Budget

*LD1708215593 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1930 GMT 17 Aug 93*

[Text] The Government of the Slovak Republic has approved a report on the fulfillment of the state budget for the first half of 1993 and its anticipated fulfillment in the second half of the year.

The report includes measures which are being realized, or are to be realized in the second half of the year, in the spheres of revenue and expenditure. To a large extent these measures reflect IMF recommendations. The Government also discussed and approved draft proposal for ensuring the payments agreement between the Czech and Slovak republics in the next period.

## FRY Envoy Receives Protest Over Ships Stopped on Danube

*LD1808213193 Budapest MTI in English 1732 GMT 18 Aug 93*

[Text] Budapest, August 18 (MTI)—The Hungarian Foreign Ministry summoned the charge d'affairs of the Federal Republic of Yugoslavia on August 16, 1993 to inform him of Hungary's position on the stoppage of three Hungarian ships in the Serbian section of the Danube for more than 10 days, foreign affairs spokesman Janos Herman told MTI today.

The Hungarian side pointed out that the Yugoslav authorities and the people calling themselves Danube Blockade Committee had obviously taken a coordinated, illegal and expressly unfriendly action. A recent consultation with a member of the Serbian Government made it clear that the authorities directly and indirectly promoted the application of illegal methods against Hungarian citizens and Hungarian property. The Serbian minister said it was he who had given the order to stop the ships. He added that his step was backed by the government.

Both the authorities and the organizers of the blockade have tried to blame the Hungarian authorities for the fate of a humanitarian consignment, which was stopped at the Hungarian-Yugoslav border in July at the proposal of the EC mission of customs advisers because it had repeatedly tried to cross the border with false documents. Since the TANJUG news agency carried a completely unfounded and biased report on the affair, the Hungarian Embassy in Belgrade issued a statement to inform the Serbian public of the true situation. In various bilateral forums, Yugoslav Government officials qualified the action of the Hungarian customs authorities as perfectly correct, so in early August the Hungarian Foreign Ministry asked the Yugoslav authorities to provide the Yugoslav public with authentic information in order that the generation of anti-Hungarian sentiments by TANJUG should not harm bilateral relations. Unfortunately, this has not come about. All this may lead to the conclusion that the Yugoslav side has no interest in preventing a deterioration in the atmosphere of bilateral relations.

The Serbian authorities and the alleged organizers of the blockade bring this affair into connection with the stoppage of Hungarian ships as hostages. For this reason, and because of the entirely illegal actions against Hungarian citizens and Hungarian property, the Hungarian Foreign Ministry has expressed its firmest protest, recalling that it formally asked the Yugoslav authorities to ensure free passage of the three Hungarian ships even before they arrived in Yugoslavia. On August 10, it repeated its request. Nevertheless, the ships have invariably been held up and now it has been admitted that all this happened at the government's orders.

The Hungarian Foreign Ministry expects the Yugoslav Government to give an explanation for its real standpoint on the stoppage of the three Hungarian ships, make it possible for them to leave the country and, in general, ensure free shipping in the Serbian section of the Danube. The ministry confirmed that the Hungarian Government invariably based its policy towards the Federal Republic of Yugoslavia on long-term interests, and expected the same from Belgrade.

The Foreign Ministry qualified as a grave provocation the fact that the 'foreign minister' of the so-called Serbian Republic of Krajina made a call to exert pressure on Hungary. The ministry pointed to the connection between this affair, the illegal actions of the Yugoslav authorities, and the toleration of generating anti-Hungarian sentiments, foreign affairs spokesman Janos Herman told MTI.

## Antall, Clinton Exchange Letters on Bilateral Talks

*LD1808213693 Budapest MTI in English 1829 GMT 18 Aug 93*

[Text] Budapest, August 18 (MTI)—Hungarian Prime Minister Jozsef Antall and US President William J. Clinton have exchanged letters following the success of bilateral talks and the conclusion of an agreement on the protection of intellectual property. Due to the agreement, Hungary has been removed from a list which previously hindered access of its products to the US market.

The letters were read out by government spokeswoman Judit Juhasz at a Wednesday news conference.

In his letter dated August 7, Antall expressed satisfaction over the agreement. "As a follow-up, we would welcome personal meetings at the highest possible level. From various sources, we have learned that Vice-President Al Gore plans to visit this region. On behalf of my government, I confirm the verbal invitation Hungarian President Arpad Goncz has extended to Mr. Gore," Antall wrote.

In his reply dated August 12, President Clinton also expressed satisfaction over what he termed as a mutually beneficial agreement, which would help promote bilateral economic relations. He recalled that the United States has invested more in Hungary than any other country has.

At its Wednesday session, the government decided to forward to parliament for ratification the Hungarian-Ukrainian expulsion agreement.

The government discussed bills on electricity and gas supply and decided to present them to parliament for urgent discussion.

### Socialists Invite Political Parties to Election Forum

*LD1708192293 Budapest MTI in English 1739 GMT 17 Aug 93*

[Text] Budapest, August 17 (MTI)—In a letter to 16 political organizations on Tuesday [17 August], chairman of the opposition Hungarian Socialist Party (HSP) Gyula Horn invited campaign chiefs and experts to hold talks on August 25 about issues of the 1994 general elections.

Horn proposed that the talks, the first in a series, should focus on the form and agenda of future negotiations.

He suggested that campaign chiefs should take part in the first meeting as leaders with political authorization and a knowledge of details. On behalf of the HSP, Managing Deputy Chairman Imre Szekeres will attend the talks.

Responding to a suggestion by the opposition Alliance of Free Democrats (AFD) that the party was ready for bilateral meetings, Horn wrote that the HSP did not rule out bilateral discussions, but thinks that issues of the election campaign, party attitudes and the role of the media require multilateral meetings.

In a communique issued on Tuesday, the HSP also responded to a Monday statement by the spokesman of the Hungarian Democratic Forum (HDF). The spokesman said the HDF would stay away from the talks partly because the socialists called the meeting at their own headquarters. According to the HSP communique, participating parties will have to agree on the agenda and venue of the coordination talks. "In future, the HSP is ready to continue the talks at any suitable venue, including the HDF headquarters at (Budapest's) Bem square, if the Democratic Forum decides to take part in the talks," the communique says.

Meanwhile, the "historical" wing of the Independent Smallholders' Party have received the invitation and expressed interest. The socialists also invited Istvan Fodor, leader of the group of independent mps [members of Parliament], to the talks.

### AFD Completes First Part of 1994 Election Program

*LD1808192593 Budapest MTI in English 1616 GMT 18 Aug 93*

[Text] Budapest, August 18 (MTI)—The Alliance of Free Democrats (AFD), Hungary's largest opposition party, has completed the first part of its programme for the 1994 elections, outlining the party's views on municipal governments, party director Ferenc Wekler told a news conference in Budapest today.

The document establishes that Hungary's new system of local government has proved viable and the Free Democrats have played an important role in enforcing liberal principles in its operation. The AFD is convinced that what can be done at a local level should be done there. This implies that once the tasks of the municipal authorities have been set down specifically by the Constitution, those affairs, whenever possible, should be settled at their level.

The Free Democrats, which fared successfully in the 1990 municipal elections and won the mayor's post in a number of towns and villages, say that stable foundations should be created for the financial management of local authorities. Now 85 per cent of their resources comes from the central government. This is a bad practice as it fails to encourage taxpaying ethics and keeps municipal authorities in a state of dependence. In this field, the Free Democrats wish to initiate gradual changes. Their long-term goal is for the municipalities to finance their institutions and implement tasks from their own resources.

The Free Democrats wish to terminate the rule that mayors cannot be elected mps [members of Parliament].

The party regards the document as a draft which is to be discussed at professional forums in the autumn.

### Official Views Agriculture Reform, Land Ownership

*AU1808133693 Budapest PESTI HIRLAP in Hungarian 18 Aug 93 p 5*

[Interview with Laszlo Medgyasszay, political state secretary at the Agricultural Ministry, by Jozsef Burkus; place and date not given: "We Would Sell the Country From Under Our Feet"]

[Excerpts] [passage omitted] [Burkus] It seems that the urgent problems of our agriculture are being reduced to a political question....

[Medgyasszay] Yes. Many people are making a mistake here, because the ability of our agriculture to function is an issue that transcends the daily political skirmishes; it is a vital national issue, because the agricultural sector bore the greatest burden of the restructuring, and all the problems connected with this affect our society considerably, because our land represents our nation and our security in our homeland.

[Burkus] What are the major problems to be solved?

[Medgyasszay] We must face two urgent problems. One of them is the withdrawal of capital and, subsequently, a loss of property; the other is the loss of markets, and this is closely related to the first.

[Burkus] In other words, everything had to start from scratch.

[Medgyasszay] Precisely, and this indeed does not happen overnight. It would be a naive idea to expect the large-scale socialist enterprises of yesterday to become

efficient family enterprises today. Privatization is a complex process. [passage omitted]

[Burkus] [Agricultural Minister] Janos Szabo's land bill took the country by surprise. Irrespective of party affiliation, almost everyone rejected the bill. What is your opinion about this?

[Medgyasszay] It is only one of several ideas, and not a complete proposal. In my opinion, Szabo's proposal has two big shortcomings: It does not prohibit the purchase of land by foreigners and does not limit the size of purchasable land. One does not need much imagination to see what could happen if this proposal became law. Given the fact that Hungarian land has no market value, we would practically sell the country from under our feet for peanuts. I do not even mention equal opportunity. We do not have stratum of entrepreneurs to compete with Western capitalists. As part of this subject, in order to maintain equal opportunities, we should limit the size of purchasable plots of land. I must immediately add, however, that when the time comes this limitation should be abolished, for example in the event of EC membership.

[Burkus] What if someone wants to cultivate a larger area?

[Medgyasszay] He will have greater opportunities because, in addition to acquiring property, he can also rent it. [passage omitted]

[Burkus] What is your opinion about the future of cooperatives?

[Medgyasszay] At first, I regarded the group withdrawals as more acceptable than individual withdrawals. However, in the course of this development, with regard to the possibility of a consensus between various political forces and the representatives of agricultural interests, we thought we could find a solution by modifying the separation agreement stipulated by the law on agricultural cooperatives. There is no point in saying more about this today, because the relevant parliamentary committee will deal with its own proposal and the government has already ordered the relevant ministries to examine how the law is operating in practice.

[Burkus] Despite the difficulties, you continue to be a perennial optimist. Is there any reality in your hope for an early revival of the agricultural sector?

[Medgyasszay] Definitely. Work is being carried out in the middle of debates, dialogues, and seeming anarchy. We are not idle. Look at the places where the villages have already calmed down. Life has already started there. Small farms have already begun to emerge, and new-type and really reorganized cooperatives are also working already. This is quite promising. No matter how unpopular it is, I must say that an "early revival" in this sector of the economy could take even 5 to 10 years.

### Probe Into Alleged Attempt on Suchocka's Life Continues

*LD1808204993 Warsaw PAP in English 1920 GMT 18 Aug 93*

[Text] Warsaw, Aug. 18—Investigation is continued into shots fired at Prime Minister Hanna Suchocka's car near Sochaczew, the Skierniewice province, last Saturday, premier's press secretary Zdobyslaw Milewski said on Wednesday [18 August].

Asked about press reports on the topic, Milewski said he did not know details of the case. He said that shots had been fired from a gas weapon, thus "Ms. premier was not in danger," while a Sochaczew policeman was probably misled by a flashing light on the roof of a security service car closing the column.

The policeman probably thought he witnessed a chase conducted by the police and thus fired warning shots, Milewski said.

### Beer Party Members Split, Join Samoobrona

*LD1808155993 Warsaw PAP in English 1529 GMT 18 Aug 93*

[Text] Warsaw, Aug. 18—Around 60 members of the Polish Party of Beer Friends (PPPP) are to contest the September parliamentary elections on the ticket of the "Samoobrona" (self-defence) Farmers Union, "Samoobrona" Deputy Chairman Pawel Skorski announced on Wednesday [18 August].

Skorskis announcement reveals a split in the PPPP, after the partys main bench, or executive committee, had earlier rejected the election deal with "Samoobrona" worked out by former PPPP leader Leszek Bubel. According to the present party leadership, Bubel resigned as leader following the rejection of the election deal.

However, Bubel has denied this, claiming that "any material which has not been signed by (me) or Press Spokesman Janusz Golebiewski has originated from a structure existing outside the party statute, and does not represent the official position of the PPPP."

### Prices of Coal To Be Increased Gradually

*LD1808203393 Warsaw PAP in English 1956 GMT 18 Aug 93*

[Text] Katowice, Aug. 18—Deputy Prime Minister Henryk Goryszewski said at a meeting with heat and electric energy producers on Wednesday [18 August] that the prices of coal would not jump up once but will rather be increased gradually every month.

Manager of the Jaworzno-3 power plant Jan Kurp believes that coal price hikes will not result in higher energy prices. However, Goryszewski admitted that prices of coal sold to factory and municipal heat plants, which are usually obsolete and inefficient, will have to be increased by 25 thousand zlotys (about 2 U.S. dollars) per one ton every month because these plants, Goryszewski added, were heavily subsidized from the central budget in the past which cannot be continued under the present budget.

Goryszewski promised to ask banks and coal companies for making cheap credits available to coal mines which would then be able to restore their financial liquidity. The total debt of the coal industry was estimated by head of the state coal agency S.A., Przemyslaw Gruca, at 32 trillion zlotys (180 million dollars) and it shows a growing trend.

### MPW Communique Defends Privatization Policy

*LD1808215893 Warsaw PAP in English 1850 GMT 18 Aug 93*

[Text] Warsaw, Aug. 18—The press office of the Privatisation Ministry (MPW) on Wednesday [18 August] issued a communique in which it said that during the current election campaign attacks on privatisation based on allegations and lies have intensified.

"Some of the parties who take part in the election campaign demand that privatisation be curbed. This has produced a response from the workforce of many companies who want to be rapidly privatised," the communique reads.

A report by economic advisor to the Confederation for an Independent Poland (KPN) Janusz Szewczak on Poland's economy in the years 1990-93 "is full of lies," the ministry claims. Despite the charges made by Szewczak, the economic-financial results of the state treasury-owned joint stock companies in the first five months of 1993 show profits. 256 of 376 investigated companies made gross profits totalling 7 trillion zlotys (some 385 million dollars), while 119 firms suffered gross losses of 2.3 trillion zlotys, including ten whose losses amounted to 1.5 trillion zlotys.

"All members of privatisation teams from the ministry and their advisors are obliged to keep their information confidential," the ministry said in response to the charge over the state secrets leaks during privatisation processes. The MPW secures the claims of successors by allocating at least 5 percent of the reserves of stocks or shares to compensate them.

## President Iliescu Views Political Scene

*AU1808203093 Bucharest DIMINEATA SUPPLEMENT in Romanian 12 Aug 93 pp 1, 2, 3*

[Interview with Romanian President Ion Iliescu by journalist Ascanio Cavallo of Chilean newspaper LA EPOCA, on 30 June 1993 in Bucharest]

[Text]) [Cavallo] Three and a half years have passed since the revolution. What has changed in Romania since then from a political viewpoint?

[Iliescu] Something has changed politically in Romania, namely the entire physiognomy of the Romanian society. The basic ideas of the proclamation of the December revolution came to life with the elimination of the totalitarian system, which was a political system based on the monopoly of a single party that mistook itself for the whole state. In practical terms, it was not a party, but a party- state. We created a democratic, open, and pluralist society, by ensuring all civic freedoms such as the freedom of expression, manifestation, and organization. In this respect, we even witnessed an explosion of parties, political groupings, and all kinds of nongovernmental organizations. We have more than 200 registered parties, something which is not abnormal in our conditions: It can be seen as a natural reaction after a long period of repression of any forms of organization. This situation will eventually crystallize, through an evolutionary process, along several key political lines. Nevertheless, it stands as proof of the unhampered freedom of organization currently prevailing in Romania. This also applies to the freedom of expression, which can be seen in the explosion of newspapers, magazines, and all kinds of publications. Some people say that we have more newspapers than journalists. More than 100 private radio stations have sprung up in Romania. We have more than 20 private television stations.

Likewise, at the state level, a radical change has taken place in the state's structures. We had free elections as early as May 1990, which resulted in the election of a two-chamber parliament, which also became the Constituent Assembly; its main mission was to work out the country's new democratic constitution.

The drafting of the Constitution took one and a half years.

This drafting effort was an eminently democratic process in itself, since it involved the setting up a commission of parliamentarians and experts in constitutional law who, for three months on end, only gathered documentation and information and studied our national constitutional traditions as well as the international experience in this sphere. We consulted prominent international experts in constitutional law, including at a seminar held in Bucharest with constitutional law experts from other countries, on current trends in constitutional law matters at a world level. On this basis, we worked out the first draft constitution, which was then published and submitted to public debates for two months. A first round of talks was then conducted in parliament over a period of five months. One thousand amendments were proposed. The commission effectively worked at rewording the draft, which was then sent back to the parliamentarians for another month of further study. Two and a half months of concrete parliamentary discussions per each article then followed. Each word and comma was discussed in detail.

[Cavallo] Does that mean that the transition period is over in Romania and that you have established a fully democratic system in your country?

[Iliescu] We have a democratic system, which can compare to those of the most advanced countries in the world. But the construction of a democratic state never ends. This is a continuous process. Some 200 years have passed since the United States' Declaration of Independence based on respect of human rights, and I do not believe that it is the ideal state of democracy in the world. One can argue a lot about the merits of the American democracy.

The French Revolution gave the world a signal of opening toward the modern democratic regimes. Nevertheless, the French themselves are not always pleased with their country.

Therefore, the process of improving democratic structures is a continuous and never-ending one. However, we covered a full period of changes, which laid the foundation of the state of law. It is not accidental that I dwelt so much on the Constitution and its drafting. I dwelt on it because the process of drafting the Constitution and its public and parliamentary discussion was a true school of democracy both for the parliamentarians and for the Romanian public.

Through its content, Romania's Constitution can compare with the best modern democratic constitutions right now. The Constitution is the foundation. New local elections were organized on the basis of the Constitution, which was adopted by national referendum, thus implementing the principle of local autonomy and administrative decentralization.

A second general ballot took place last September-October, when the new parliament and the country's president were elected on the basis of the new Constitution.

In accordance with the provisions of the Constitution, we achieved the separation of power in the state and we established all the institutions of a state of law: the parliament and the president through elections, and the executive power was appointed in accordance with the Constitution and the judicial power. On the basis of the Constitution, we adopted a law regarding the judicial organization, with all the institutions of the judicial power, both at a central level and in the provinces.

Therefore, I believe that, from the point of view of the structures of a political state and of the political life, we have achieved the most spectacular changes.

A greater inertia can be noticed in the economic area. The economic system is a system that displays much greater inertia than the political system, although many transformations have taken place in the economic structure and economic mechanisms. This process will be much slower and much more difficult.

[Cavallo] Do you consider the stage of transition finished, meaning that there is no more danger of a return to a totalitarian or authoritarian system?

[Iliescu] I do not believe in such a danger at the moment. There are no such forces that could reverse the process. The social climate in our country does not allow for such a thing. Certainly, it was not accidental that I mentioned our economic difficulties. Economic difficulties, with their social consequences for the life of our people, encourage conservative, nostalgic, and extremist forces. We have faced and we will continue to face such difficulties for a while. However, I do not believe that there is the necessary climate for such forces to be able to play a decisive role in the development of Romanian society. It is true that there are difficulties in the transition period and that the crystallization process is not definite either. We are in the process of shaping a new political class. For the time being, there are many odd manifestations in the political struggle, which belong to the maturing process of our political life, to the practice of political confrontation among people who have entered political life and who lack substance, lack training, and lack experience. This is not a simple process.

[Cavallo] From the viewpoint of economic difficulties, in television programs broadcast by other countries one can see the poverty on the streets of Bucharest. Was the revolution worth this?

[Iliescu] I would like to mention two things: the real poverty and the imaginary poverty. What is presented on television in the world is the marginal and exaggerated aspect. There are difficulties. There is a lack of organization and there are dysfunctions in the social life and in the operation of the local administration. There are mainly basic difficulties in people's lives. However, Romania is not Somalia. Romania is not only the country of handicapped children. Romania does not represent only one day when the miners came to Bucharest and organized the "miners' incursion," just as France is not only the country of tractor drivers' strikes, who come and disorganize life in Paris, just as the United States is not only the country of violence and police reprisals in Los Angeles and arson. Is it not true? Thus, if we want to present everything that is most obscure in the life of a country, even if it is the richest country, one can find poverty, disorder, and corruption and one can also find brutality and violence. One can find everything. I do not believe that Romanian life is dominated by such phenomena.

However, let us discuss fundamental issues and talk about real difficulties in the economic processes...

[Cavallo] Will common people not start feeling at one point that the revolution was not beneficial to their lives?

[Iliescu] The Romanian revolution had a violent character. It had a spontaneous character of mass revolt, generated by dissatisfaction and difficulties in the people's daily life, by the fact that Romania had entered a profound crisis of the political system which was mainly reflected in the people's hard life. The processes that broke out in other countries also had a certain influence on events in our country.

In the past three years, our economy has not registered an upward course but rather a downward course. Industrial production registered 50 percent compared to the production achieved in 1989. Agriculture had to face difficult years, also because of prolonged droughts, which left their mark on the agricultural production level but also because of the dismantlement of the cooperative farm system, which nevertheless had a positive aspect—small holders received their rightful land—but also had a demolishing effect, namely the disorganization of the existing production system. Concrete demolishing, not only figuratively speaking, of certain buildings, plantations, and others took place. All this was reflected in the drop in agricultural production. Romania was forced to import grain while Romania is a country with important agricultural potential.

We notice a deterioration of the economic activity and, therefore, also a deterioration of people's living conditions because they have to face inflation and unemployment, something the Romanians have not encountered for the past forty years. From this viewpoint, certainly there is a direct cause for dissatisfaction and a feeling of disappointment. For the ordinary citizen, certainly, democracy does not make sense and has no meaning if it does not bring him material improvement. You will also meet with such a way of reasoning. What is the use of being allowed to speak freely about everything I want and I can curse the president without fear of the police arresting me, if this does not bring me money, if I do not have a job, and if have no means to feed my children at home! Obviously, these are real sources of dissatisfaction.

However, this is a given situation. On the one had, we have the internal processes. Any type of reorganization of such extent and in a short period of time brings about disorganization. This disorganization can be noticed in the way the social body is functioning and which has very serious consequences, mainly in the economic area. In our case, the centralized structures of the state leadership over economy—which in itself was a lethargic factor—were demolished. This brought about the crisis of the system at a time when we witness a greatly dynamic progress of world economy and when the technological process requires a very rapid pace. All rigid and lethargic systems of leadership failed before these

demands of the pace set by the development of the world economy. But the demolition of a system that had its own logic, with its specific mechanisms, with its specific institutions but without having anything prepared to replace them in terms of modern, dynamic, and efficient mechanisms creates a vacuum that leads to disorganization and dysfunctions in the economy. This was one of the reasons for the breakdown of the entire mechanism of interdependence at all levels. One might add to all this the current international circumstances. We see the dismantlement of the entire CEMA system, the dismantlement of the economies of our neighbors who were our basic partners, and the disappearance of basic markets for our products. Ther is the disappearance of certain vital energy and raw material sources—Russia, the Gulf area, the Arab world, Iraq, Kuwait, Libya—the Yugoslav crisis, the blockage, and the embargo, all this cut our sources of raw materials and energy and the markets for our products. That is why very many industrial enterprises were blocked, they were closed or reduced their activity because they did not have any more sources of supply and markets where to sell their products.

There is a crisis in a phase of recession of the world economy. The developed countries first of all take precautionary measures. They preach to others about free markets but, as far as they are concerned, they take protectionist measures. Europe, the United States, and Japan are the three world economic centers. They are not free markets and for countries like ours, it is very difficult to penetrate these markets. We face all this in addition to the difficulties brought about by technological competition and economic efficiency.

There are also administrative, political, and blockade measures. The United States has not granted us MFN status for three years although it was granted to Ceausescu....

[Cavallo] You are the only country in that area whom the United States has not granted MFN status. Do you not feel that nevertheless, there is in the West a kind of mistrust in the current democratic system in your country?

[Iliescu] I have already mentioned that, for the time being, the political thinking in the West is dominated by an "ideological intoxication," from which everybody is suffering, and that is the source for subjective views in connection with decisions that are being taken. If we are talking about democratic relations in the international world, there must be certain objective criteria according to which situations are being judged in one part or another of the world, starting from respect for the free option of nations.

I do not care whether certain political forces in one country or another like me personally or the Romanian Government. It is the option of the Romanian people to decide what they think is the best answer to their national aspirations and interests and nobody from the outside has the right to impose its option on this nation. This is part of democracy. This is part of the democratic principles and criteria in interstate relations. Certainly, one might say that in a country with a dictatorial regime this does not mean the respective people's option. However, this is no longer the case in Romania today.

This is the strange aspect in the behavior of certain foreign political forces toward Romania. It is not only others who can judge the situation in Romania but also the Romanian public opinion has the right to judge others and judge the behavior of others. Where is the principled nature of this judgment, when a clearly dictatorial regime such as Ceausescu's could receive a certificate for good behavior, was cheered by everybody, received MFN status, and all doors were open when he was received in European capital cities? Why? For one single reason: for his anti-Russian positions. Was this a criteria?

Thus, one can talk no more about democracy and about the interests for the rights and freedoms of citizens, but about strategic interests. The Romanian people do not understand such attitudes and treat them as political hypocrisy and demagogy.

But I believe that we can also be optimistic because lately we can notice a certain change in the way Romania's image is perceived abroad. Even those who strived in the past three years through financial and all kinds of other actions to support certain political forces in Romania which were closer to the interests of those circles, are now convinced that they cannot get a response from the Romanian people and that, after all, they have to take into consideration the Romanian people's options expressed during the latest general elections. Observers from the whole world came to Romania and were convinced by this.

Nobody can claim that those elections were not free and that the clear option of the electorate was not expressed.

[Cavallo] You won those elections with a high percentage. However, it is only almost half of what you got in 1990.

[Iliescu] No, it is not true. In 1990 I received 85 percent of the vote and not 62 percent; thus it is not half of the previous votes.

[Cavallo] I am talking about a drop. How do you view this drop?

[Iliescu] For two years some shifts in the political scene have been taking place as well as a stabilization and organization of various political forces. Then, the evolution of agents and the decline of the economic activity in a fatalistic way are reflected on those who have the responsibility of governing. No matter who is holding the power in a period of crisis he has to assume a risk in society, and I have assumed this risk. I was sure that we were going to face very serious difficulties and said from the beginning of 1990 in public declarations that a difficult period is ahead of us, a period of deprivations.

In spite of all the reorganization activity, the settlement of the Romanian society will require efforts and difficulties and we will have to be armed with patience, understanding, with political will, and efforts. If we understand this, we shall overcome! If not, we risk entering a phase of chaos and general disorganization of our society.

We did not enter chaos or total anarchy although there have been and still are enough anarchic manifestations and tendencies. If we look at the evolution of things, in the first part of 1990 all events took place mainly in the street, with repeated attempts to overthrow by force the provisional leadership, generated by the December [1989] revolution. They did not succeed but nevertheless, political life was dominated by this tension and violent confrontations. This motivated the massive vote in favor of the National Salvation Front in 1990. This meant the country's reaction, the reaction of the Romanian people—who are a quiet people—to the danger of the street violence and of the forces that incited, organized, and supported violence. Thus, this was the population's reaction of self-defense against the anarchic forces that wanted to disorganize and disrupt the processes of democratic stabilization and development of the country.

Meanwhile, the political struggle acquired other dimensions. Some shifting of political forces took place which, in time, naturally led to a certain settlement of things and, in the future, it will lead to the transformation into a normal democratic regime.

[Cavallo] Talking about that period, together with Yeltsin maybe you are the most important leaders in Europe who, in spite of the fact that you were communist party members, succeeded in staying in power. I mean from the outside it seems very strange and such a thing happens very seldom.

[Iliescu] First of all, I am not the only one. It depends where you limit your analysis. As far as I am concerned, I was not in the party leadership since 1971, when my disapproval of Ceausescu was published and I was accused of "intellectualism" during a political meeting when Ceausescu launched his own "cultural revolution" toward which I expressed my reserves and opposition in several discussions with him after a visit to Asian countries.

This matter is on the record, and I was probably the best-known opponent of Nicolae Ceausescu. That Ceausescu did not take any repressive steps against me or others, well, this is due to the fact that in 1969, after the 20th Congress of the Romanian Communist Party [PCR] and after the invasion of Czechoslovakia, when Romania took a public stand against Stalinism, Stalinist practices, and brutal intervention in another country, I was among the young people who actively promoted such a stand and my convictions were known at a national level. A party plenum had been held, where Gheorghe Gheorghiu-Dej's [Ceausescu's precursor as PCR leader] repressive measures against political adversaries were condemned. Therefore, Ceausescu could no longer afford to take physical steps against his adversaries. Nevertheless, he used other methods to remove those who were in his way and, as far as I was concerned, he even made public his disapproval, by labeling me as "intellectualist."

I was pretty well known at home, as one of the leaders of the students' and youth movement in Romania. Throughout this period, that is from 1971 until 1989, I enjoyed broad empathy among the most diverse categories of people in the country. This might also explain the spontaneous popular endorsement of my person on 22 December 1989 and the people's readiness to accept me and project me to the head of the provisional state body, the National Salvation Front Council.

The same applies to what I have already mentioned here, namely the people's reaction to violent attacks from certain quarters, that wanted to remove me and the Front, as well as the clear expression of the popular resistance in May 1990 against forces that were actively supported from both within and outside the country, forces that were even receiving financial support from abroad. The people opposed these forces, which were alien to the state's vital interests.

[Cavallo] I suppose that you have heard the various hypotheses being aired...

[Iliescu] Therefore, I am not the same like Gorbachev, who was general secretary until the very last moment and the promoter of "perestroyka;" I cannot even be compared to Yeltsin, who was member of the Politburo but for the last two years before he was elected president, or to Kravchuk, who was secretary of the Central Committee until the time he became Ukraine's president. Neither can I be compared to many heads of state from the former USSR republics, who were first secretaries of their party central committees until the very last moment. Therefore, I am not like them from this viewpoint. On the contrary, I was probably the spokesman of the opponents from within to Ceausescu's totalitarian tendencies. That is why I was popular at home, not because of my having been a member of the Communist Party. I was valued for my democratic behavior and open nature of my entire activity.

[Cavallo] Let us talk about the trial that ended with Ceausescu's execution. After all the time that has elapsed since then, how do you assess that episode? Do you still think it was necessary?

[Iliescu] That episode must be understood in the context of the circumstances at the time, in the days of December 1989 in Romania, when a true civil war was raging and shooting was going on in Bucharest's streets and other cities. Things were still very uncertain in those days. Nobody knew what forces were involved in that anarchic and rebellious unfolding of military confrontations. Ceausescu had been arrested and detained in a military unit. We did not know what that unit really

represented in terms of military strength. We even received alarm signals from the unit's commander to the extent that he had very few troops and any motorized assault might manage to free Ceausescu at any time. In those circumstances, it was suggested that the only way to stop the confrontation and bloodshed was by eliminating Ceausescu. Therefore, steps were taken to organize a court, which tried and condemned him. The following day the military clashes stopped. Therefore, the whole episode should be judged in the light of the then events and its effects. Otherwise—I already said it at the time—it would have been better, from a political viewpoint, to have kept him under secure arrest and properly prepare a political trial. This option would have been the better one, politically. However, the circumstances as they were at the time imposed another methodology, which you all know. As a matter of fact, one must say that if Ceausescu had not managed to flee by helicopter on 22 December, he would have been lynched by the population gathered in the square. If you remember, the masses of people rallying in the square before the Central Committee headquarters broke into the building. Had Ceausescu been caught by them there, he would have been lynched on the spot.

[Cavallo] Let us return to the present. In 1990, you appointed yourself as a mediator between the democratic forces in Romania. Since the opposition has grown in the meantime, do you think that this is still your mission?

[Iliescu] This is the constitutional prerogative of a president. Once elected, the president no longer belongs to any political grouping. The Constitution stipulates that, once he is elected president, a person must withdraw from any party he might have belonged to. He ceases to belong to a certain party and plays the role of mediator between the various power factors at the state level, on the one hand, and the political and social forces of the country, on the other. This is the constitutional duty of a president, which I am striving to fulfill. Whether I do it well or not, this is another matter. It is all up to each individual's capabilities.

[Cavallo] I believe that the current prime minister obviously enjoys your support.

[Iliescu] Of course. Whoever the prime minister happens to be, he enjoys my support. We have had three prime ministers up to now and I supported each one of them—at their respective time in office—even though I might have had my personal reservations about their personal activity. I believe it is the duty of the president, who appoints the prime minister, to grant him his total trust, until the contrary is proven and then he no longer deserves it. The current prime minister, who does not belong to any party, is a technocrat, a financial and economic expert. His appointment meets the requirements of the current moment, when the economy is the most critical field. Such a man, as long as he fulfills his mandate, must enjoy the support of both the president and of the parliament and other political forces, as a matter of fact.

[Cavallo] Do you believe that the government is weak and that it might fall?

[Iliescu] I do not believe that anyone is interested today in letting this government fall, despite some most vehement attacks from certain political forces. However, after discussions with various heads of parties, I came to the conclusion that nobody is really interested in the fall of this government at this time, maybe because it is carrying out a very difficult mission, which nobody really cares to assume. It is actually doing the "dirty" work of taking certain unpopular measures it saw itself forced to adopt. First of all, it saw us through a harsh winter. Last October, when negotiations on forming a government were under way, the opposition political parties desisted from any political coalition formula. Some even told me then that a difficult winter was ahead of us and no government would survive until next spring. Therefore, they would rather let others "burn their fingers," while they stood comfortably in the opposition, when the going was at its toughest. Nevertheless, this government succeeded in pulling us through the harsh winter, something which really annoyed the opposition at a certain point, just because the government managed to survive the winter.

This government had to adopt measures on withdrawing subsidies for basic consumer goods, which are vital to the population, something which was totally unpopular and also gave an even stronger impetus to inflation, thus leading to the subsequent massive price increases. Bread went up from 20 to 90 lei, since it had been subsidized by the state until then, but had become the cheapest fodder in the meantime. Bread consumption went up three times over the normal public consumption, because bread was being bought to feed the pigs. So, that was an unpopular measure and somebody had to assume responsibility for it. Well, it was this government which had to do it.

The government is currently applying the value-added-tax [VAT], a new and unpopular system of taxation.

I have recently visited Switzerland, where there was talk about VAT implementation. By referendum, the Swiss rejected the application of VAT. Well, this government is assuming the responsibility for the organization and implementation of VAT, while inflation is still moving upward. There are difficult problems in the sphere of production, where blockages have been registered and unemployment is high. Consequently, nobody is really all that eager to assume the responsibility of governing at this time. Everybody agrees that this government should go on doing the still "dirty" work in the economy. When the waters start getting clearer, they will all jump to "save" the nation.

Likewise, nobody is interested in early elections, because nobody knows what the next ballot might bring and how many of the current parliamentarians will stay in their posts. Therefore, all you are seeing now is just a display of people making a lot of fuss, without any real attempt of trying to assume the responsibility of governing.

[Cavallo] I have a question about Chile and your forthcoming visit there. What do you expect from your visit to Chile?

[Iliescu] First of all, I am happy to be able to make this visit. We will express our profound and deep-going sentiments, which have historical roots, of sympathy and solidarity between our countries and peoples. We are both Latin peoples and we have many things in common. Likewise, as far as we are concerned, we are interested in learning about Chile's experiences, a country which after a totalitarian regime and the subsequent transition to a democratic regime, has achieved very much in the sphere of economic change and the consolidation of a market economy. We want to study all that experience, aside from the obvious interest in expanding our bilateral relations at all levels. We are convinced that both our countries are interested in expanding bilateral ties. I am convinced that we will find a platform for interesting and useful dialogue for both countries.

[Cavallo] Voices were heard in several East European countries to the extent that they would like to have a General Pinochet. Do you think that the Romanians would like to have a Pinochet as their leader?

[Iliescu] This is not possible, although the need for authority might be felt at times of crisis and it certainly stands to reason that the transition through a difficult period of social disruptions can be best achieved with the help of authoritarian regimes. This role was played by Franco in Spain, by the colonels in Greece, by the military regime in Turkey, and by Pinochet in Chile. Unfortunately, this is not possible in our country—I say unfortunately between quotations marks.

[Cavallo] Thank you very much, Mr. President.

## FOREIGN MEDIA BULLETIN BALKAN CRISIS 19 AUG

*WA1908171693*

*The following is an overview of current FBIS reporting on events in the Balkans. It supplements other FBIS reporting and consists primarily of selected summaries of longer reports. For reference purposes, serial numbers of the longer reports are provided.*

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### SUMMARY

***Bosnian Serb leader Karadzic expresses satisfaction over agreement on Sarajevo; Bosnian President Izetbegovic threatens to renew his boycott of peace talks ... Izetbegovic withdraws from talks with Bosnian Croat leader Boban ... UNPROFOR commander repeats criticism of NATO air-strike threat ... Croatian deputy prime minister threatens to demand replacement of UNPROFOR civilian department head ... Muslims accuse Bosnian Croats of setting up concentration camps, expelling 10,000 civilians.***

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### DIPLOMATIC

KARADZIC SATISFIED; IZETBEGOVIC THREATENS BOYCOTT (TANJUG, AFP): TANJUG reports Bosnian Serb leader Karadzic said Serbs have a "reason to be satisfied" over agreement to place nine Sarajevo municipalities under UN protection, expressed optimism that a peace agreement for Bosnia can be reached soon. AFP, however, quotes Bosnian President Izetbegovic as threatening to renew his earlier boycott of the talks in protest over alleged presence of "more than 100" Serbian troops on Mount Igman. (LD1808203693, AU1908100193)

IZETBEGOVIC WALKS OUT ON BOBAN (AFP): Bosnian President Izetbegovic announces withdrawal from talks with Bosnian Croat leader Boban in protest over "horrendous mistreatment" of Muslims in Mostar. Izetbegovic said 35,000 Muslims in the city are "living in dreadful conditions" and have not received humanitarian aid "for 100 days." (AU1808145393)

### UNPROFOR

COMMANDER REPEATS CRITICISM OF NATO (AFP): UNPROFOR Commander Briquemont repeats criticism of NATO air-strike threat, saying that air strikes "do not seem at all the way to solve the problem" of how to end fighting in Bosnia and contending that nothing will be decided" by NATO without his permission. (AU1908102993)

CROAT DENOUNCES UNPROFOR OFFICIAL (TANJUG): Croatian Deputy Prime Minister Seks threatens to demand the replacement of UNPROFOR department head Thornberry because of his "partial and incorrect" reports to the UN secretary general. Seks said that he was giving Thornberry a "last warning" not to equate Serbia and Croatia's roles in the Bosnian war. (LD1908015993)

### HUMANITARIAN

CROATS ACCUSED OF SETTING UP CAMPS (Sarajevo Radio): Bosnian Army accuses Croats of setting up concentration camp for Muslim civilians and soldiers and forcing "10,000 civilians" from Mostar area to leave Bosnia. (AU1808164893)

### UNPROFOR Confirms 100 Serb Troops Still on Mt Igman

*AU1908115393 Paris AFP in English 1134 GMT 19 Aug 93*

[By Philippe Debeusscher]

[Excerpts] Geneva, Aug 19 (AFP)—Bosnian President Alija Izetbegovic threatened Thursday [19 August] to renew a boycott of Geneva peace talks, saying that Bosnian Serb forces remained on strategic Mount Igman overlooking Sarajevo.

"I learned just now that Serbian soldiers are still on Igman mountain, more than 100 of them. We will protest that and maybe interrupt the negotiations if they don't promise to withdraw them."

Izetbegovic was speaking to reporters ahead of a meeting here that was to include the Serb, Croatian and Montenegrin Presidents Slobodan Milosevic, Franjo Tudjman and Momir Bulatovic. [passage omitted]

In Sarajevo, U.N. Protection Force (UNPROFOR) spokesman Commander Barry Frewer confirmed that about 100 Bosnian Serbs were still on Mount Igman, located southwest of the Bosnian capital.

Frewer said UNPROFOR was concerned about their continued presence and would keep up pressure for their withdrawal. [passage omitted]

### UN's Frewer: Situation Remains Tense in Mostar

*AU1808130093 Paris AFP in English 1241 GMT 18 Aug 93*

[Text] Sarajevo, Aug 18 (AFP)—The situation remained tense in the Mostar region of southern Bosnia-Hercegovina after a flare-up of fighting between mostly Moslem government troops and Bosnian Croat forces, UN Protection Force spokesman Barry Frewer said here Wednesday [18 August].

There were explosions in the town itself the previous day, and small arms and heavy machine-gun fire was continuing in the center, he said.

There was no major fighting and the area seemed to have stabilized, however, Frewer said, adding, "But it is still very much a contentious area."

The government troops started the fighting some days ago, and the Croats counterattacked.

UN High Commissioner for Refugees spokesman Peter Kessler said the humanitarian situation in Mostar was "extremely difficult."

### Zagreb Radio Reports Muslim Attacks on HVO Positions

*LD1808124793 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 18 Aug 93*

[Report by correspondent Zdenko Vranjes]

[Text] Since early this morning, fresh Muslim attacks on almost all defense positions of the Croatian Defense Council [HVO] in the Zepce area have been in progress. There has been fierce infantry fighting. Units of the HVO's 111th Brigade are firmly holding their defense positions despite continuous onslaughts by the more numerous Muslim army which is opening incessant fire from tanks, mortars, and heavy infantry weapons.

The HVO has learned that the Muslim army is calling the operation to take the area on the left bank of the Bosna river, between Zepce and Zavidovici and the Zeljezno Polje-Tesanj road, a cauldron [Kazan] operation and that it is reinforcing its troops engaged in these attacks with fresh forces from Zenica.

Yesterday, Zepce bade farewell to massacred civilians from the village of Kiseljak. It has been subsequently learned that among the civilians taken away from this village by the Muslim army which used them as a human shield while withdrawing was a Croatian television cameraman, Pero Topic, a citizen of the Republic of Croatia. Citizens of Zepce are appealing to journalists' associations in Croatia and abroad to help in his release.

An exchange of bodies of members of the HVO and of Muslim forces is scheduled to take place today. A large group of wounded people from Zepce arrived in Livno last night.

The Muslim army tried unsuccessfully to penetrate HVO defense lines around Buna and Blagaj, south of Mostar, last night. The Muslim army is transferring its forces from the center of Mostar, which was mainly quiet, toward Blagaj; hence fresh attacks on the southern Mostar battleground are to be expected. Five HVO members were lightly wounded last night.

Fighting also continued around Novi Travnik. The village of Zubici came under infantry attack, while the Muslim army is pounding the center of Novi Travnik and the neighboring Nevic Polje with mortar shells.

### Muslim, Croat Clashes Continue in Bihac Region

*LD1808160193 Belgrade TANJUG in English 1459 GMT 18 Aug 93*

[Text] Bihac, August 18 (TANJUG)—Bihac, a town in the Moslem Cazin Krajina, north-western Bosnia-Herzegovina, has become the scene of fierce Moslem-Croat clashes which broke out last spring for supremacy in the territories with a mixed Moslem-Croat population.

Moslem-Croat clashes on Wednesday [18 August] continued unabated in central Bosnia-Herzegovina, near the

towns of Gornji Vakuf, Zepce and Novi Travnik and in the area of Mostar, the southern part of the former Yugoslav Republic.

The Croatian Radio has reported that local Croats and Moslems fiercely clashed in the Bihac suburb Kralje on Tuesday and that there were many casualties on both sides.

According to the radio, the clashes spread to other parts of Bihac, too.

Moslem formations in Bihac were joined by Moslem Male refugees who had been expelled from Croatia to the Cazin Krajina, the Croatian Radio said.

Well informed Bosnian-Serb sources, however, said that Croatian units in Bihac were joined by moderate Moslems, supporters of Fikret Abdic, the leader of the moderate Moslem faction in the pro-Moslem presidency of Bosnia-Herzegovina, who advocates a peaceful settlement of the Bosnian conflict through talks.

Abdic had openly criticized the official Bosnian Moslem leader Alija Izetbegovic for continuing the war in Bosnia-Herzegovina and leading his people to disaster.

The Moslem-controlled Sarajevo Radio reported on Wednesday that Bosnian Croats, helped by army units from neighbouring Croatia, were shelling Gornji Vakuf from several directions. The radio added that the central Bosnian town was almost completely destroyed.

The Bosnian Croat Radio also reported about heavy fighting near Gornji Vakuf.

The Croatian Radio reported that Moslems continued attacking all Bosnian Croat positions in the region of Zepce on Wednesday.

Bosnian Croats are firmly holding the defence lines near Zepce, despite continual assaults by the strong Moslem army which is planning to take hold of the entire central Bosnian region on the right bank of the Bosna river from Zepce to Zavidovici, the same source said.

The Croatian Radio reported about fierce clashes near Novi Travnik and said that Moslem forces were using mortars to shell the centre of the town and surrounding Croatian villages.

The Moslem army on the night of August 17-18 failed in the attempt to break through Croatian defence lines in the area of Buna and Blagaj, according to the same source.

New battles can be expected on the southern Mostar front, since the Moslem army is moving its troops from central Mostar toward Blagaj, the source said.

## HVO Reportedly Expels 10,000 Civilians

*AU1808164893 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 18 Aug 93*

[Text] The Press Center of the Bosnia-Herzegovina Army informs the domestic and international public that, along with brutality, rape, pillage, and murder, the soldiers of the Croatian Defense Council [HVO] have established several concentration camps for civilians and captured members of the Bosnia-Herzegovina Army.

The concentration camps are [words indistinct] at the heliport, in the (?warehouses) of the (?Serko) aviation industry, and at the Engineering Department of the University in Siroki Brijeg, Grude, Ljubusko, Vrecelj, Gabelo Polje; in elementary schools in Domanovici, (?Dremla), Pileti, Stolac; in the (?orthopedic) hospital, in the elementary school in Capljina, in the Grabovina barracks. In [words indistinct] the prisoners are kept outside. The same is true in Ravno where about 500 inhabitants of Jablanica and Prozor are interned.

Another concentration camp is situated on the island of Ugljan on the territory of the Republic of Croatia. According to the information gathered so far, 15,000 inhabitants of the Stolac, Capljina, and Mostar municipalities are interned in the concentration camps. Among them are about 1,500 troops of the Bosnia-Herzegovina Army.

The hygienic and other conditions under which the captured civilians are kept are below the level of human dignity. Around 5,000 people have been expelled from their homes in the Stolac and Capljina municipality, while 15,000 inhabitants have been expelled from the part of Mostar, which is under the control of the HVO. As many as 10,000 civilians from these three municipalities have been forced, in various ways, to leave the territory of Bosnia-Herzegovina. Before leaving, they were forced to sign a statement that they were leaving their property to the HVO of their own free will. This is stated in the information of the Bosnia-Herzegovina Army Press Center.

## HVO's Prlic Condemns Muslims Over Massacre

*LD1808174293 Mostar Croatian Radio Herzeg-Bosna in Serbo-Croatian 1600 GMT 18 Aug 93*

[Excerpts] Jadranko Prlic, president of the Croatian Defense Council [HVO] of the Croatian community of Herceg-Bosna, reacting to the latest crime committed by Muslim armed forces against Croat civilians in Kiseljak, near Zepce, in central Bosnia, sent a letter to Thorvald Stoltenberg and Lord David Owen, the cochairmen of the peace conference on former Yugoslavia.

Dear Sirs,

In addition to the fact that judging by the number of innocent victims of all ages—so far 43 bodies have been found—and by the method in which it was committed, this crime was both large- scale and cruel. This latest massacre committed by Muslim armed forces over civilians in the village of Kiseljak, near Zepce, central Bosnia, deserves your special attention, especially as it now confirms beyond any doubt that genocide, terror and ethnic cleansing are integral parts of the warfare methods used by the Muslim armed force against the Croat people in Bosnia-Herzegovina.

We feel free to inform you about a whole series of events tragic for the Croat nation, which have taken place this year. [passage omitted]

Dear Sirs, we used such tragic examples to draw your attention to the continued inhuman conduct on the part of members of the Muslim armed forces in the war against local Croats. We have every reason to believe that the perpetrated crimes, genocide and ethnic cleansing are in accordance with the overall goals of the Muslim struggle, although these acts are in blatant contravention of international humanitarian law and all Geneva conventions on conduct in war. We believe that by ignoring such conduct, or by describing it as excesses and actions carried out by certain individuals or independent groups, the international factors and media create great hatred toward and lack of trust in the people performing peace-making or humanitarian actions on the part of the entire Croatian nation, including Croats in Bosnia-Herzegovina, the Republic of Croatia or in the diaspora.

At the same time, by turning a deaf ear to such crimes, the United Nations, the UNHCR and other international factors provoke negative emotions among Croats toward Muslims as an ethnic group, which can in extreme form culminate in revengeful excesses, which are difficult to prevent efficiently despite all measures we are taking.

We therefore ask you to warn the Muslim side of the consequences of such conduct and to press them to behave fairly and in line with international humanitarian law.

With all my respect,

[Signed] Jadranko Prlic, president of the HVO of Herceg-Bosna.

### Five Killed in Sarajevo Mortar Attack

*LD1808113393 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 18 Aug 93*

[Report by correspondent Ranko Mavrak from Sarajevo]

[Excerpt] It is quiet in Sarajevo today, but last night's sudden attack on Dobrinja clearly shows how deceptive the peace is. Journalists were told today in the UN Protection Forces [UNPROFOR] headquarters in Sarajevo that at about 1900 yesterday six mortar shells hit Dobrinja causing several casualties. UNPROFOR did not know the exact number of casualties, but police sources have announced that five people were killed and 14 wounded. Although there is no doubt that the Serbs are responsible for this attack, the blue helmets will today carry out a detailed investigation and inform the public about its results. [passage omitted]

### Serb Radical Leader Warns Against Air Strikes

*LD1808170193 Belgrade TANJUG Domestic Service in Serbo-Croatian 1516 GMT 18 Aug 93*

[Text] Banja Luka, 18 Aug (TANJUG)—Nikola Poplasen, chairman of the Serb Radical Party [SRS] in the republic of Srpska, said in Banja Luka today that if air strikes against Serb positions were carried out, the SRS would call for retaliation against UN Protection Forces [UNPROFOR] members.

At a news conference, Poplasen said that the threats of air strikes against Serbian positions were "a sign of arrogance and an intention to unleash the force of NATO and the U.S. Air Force in a brutal way."

Poplasen said that the republic of Srpska delegation in Geneva had made many concessions under pressure and blackmail from the EC and the United Nations.

The media and the West, he added, are upholding an absurd view of the situation in former Bosnia-Herzegovina, because they never mention the mutual extermination of Muslims and Croats and the total devastation of Mostar, Konjic, Travnik, and Vitez, but rather blame and punish the Serbs for everything.

The SRS of the republic of Srpska believes that the republic of Srpska delagtion at the Geneva negotiations will not have the support of the Serbian people if any "historical or ethnic territory is conceded either to the Croat or to the Muslim side as a result of bad bargaining principles," Poplasen said. He mentioned Kupres and the Kupres plateau in this context saying that this area can under no circumstance be conceded to the Croatian side.

### Serbs Allow Passage of UNHCR Convoy

*LD1808193893 Belgrade TANJUG Domestic Service in Serbo-Croatian 1540 GMT 18 Aug 93*

[Excerpt] Zvornik, 18 Aug (TANJUG)—A UNHCR convoy consisting of 14 trucks was allowed to proceed toward Srebrenica today, after a routine check in Zvornik, the command of the Zvornik garrison of the republic of Srpska army announced.

Over 75 tonnes of soya beans, flour, edible oil, soap and plastic insulation material is destined for this Muslim enclave using a route along the left bank of the Drina River. [passage omitted]

### Electricity Partially Restored in Sarajevo

*LD1808211493 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 18 Aug 93*

[Text] At about 1800, the electricity supply was restored to priority consumers in Sarajevo. According to the Bosnia-Herzegovina power company, electricity was supplied by one of the reconnected hydroelectric power plants on the Neretva River so that Sarajevo is currently receiving 5 to 10 megawatts of electricity.

### Granic Warns of Need for New UN Mandate, Cease-fire

*LD1808162693 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 18 Aug 93*

[Report by correspondent Albino Cehic; passages within quotation marks are recorded]

[Text] The Republic of Croatia is not prepared to extend UNPROFOR's [UN Protection Forces] mandate unless the mandate is made separate, nor if there is proof of its noneffectiveness. This was said today by Mate Ganic, the deputy prime minister and foreign minster of the Republic of Croatia. He was addressing journalists in connection with the latest report by UN Secretary General Butrus Butrus-Ghali.

[Granic] "Croatia will firmly adhere to its stands, which means that it will insist on the demand for a separate UNPROFOR mandate. The UN secretary general has accepted further talks, despite the fact that he said that at this moment he is not able to separate the mandate for administrative, financial and political reasons. However, he accepted the continuation of talks and we are expecting Kofi Annan, the secretary general's assistant, to arrive as early as next week. We will discuss important issues concerning a possible new mandate for UNPROFOR.

"The second issue on which Croatia will insist is an absolute cease-fire. The president of the republic will discuss this issue today with Lord Owen and Thorvald Stoltenberg's assistants, messrs Knut Vollebaek and Geerd Ahrens—the modalities of an absolute cease-fire. In the very near future we will invest maximum diplomatic efforts to convince Security Council members and as many countries as possible of the correctness of our stands. Croatia wants nothing other than a committed, resolute implementation of Security Council resolutions. No progress can be made with constant provocations and shooting, especially if the United Nations does not demonstrate more resolution in this respect."

Prompted by a journalist's question, Minister Granic explained some other details, i.e., he gave a more thorough explanation of what he first said. Namely, he cited positive and negative aspects of the United Nations, i.e., UNPROFOR's conduct in locations in Croatia.

[Granic] "We see as positive the dialogue with the Republic of Croatia as well as the spirit of resolutions no. 815 and 847 whereby the territorial integrity of the Republic of Croatia is clearly confirmed. We also view as positive the demands that resolutions no. 802 and 847 be implemented. We are not satisfied with the degree of determination shown in implementing speedily all UN Security Council resolutions, in particular the one which provides for the disarming of all paramilitary formations as outlined by the Vance plan. We are neither pleased with the speed at which a request was made to control the Croatian border and with the fact that the report does not state clearly who at the moment is primarily responsible for the failure to both reach a cease-fire agreement and to implement all UN Security Council agreements and resolutions."

### Interior Ministry: Plot To Aid Muslims Uncovered

*LD1808140393 Belgrade TANJUG in English 1310 GMT 18 Aug 93*

["Pool" item]

[Text] Zagreb, Aug 18 (TANJUG)—The Croatian Interior Ministry said on Wednesday it had uncovered a ring of smugglers who transferred mujaheddin via Croatian territory into other states, as well as "documentation on the purchase of arms and military equipment" for Bosnian Moslems.

The investigation has shown that some individuals in nine Croatian towns used humanitarian organizations as covers for logistic support to the Bosnian Moslem army and training centres for terrorist and sabotage actions, the ministry said. Such centers were discovered in Zagreb, Bjelovar, Osijek, Slavonski Brod, Varazdin, Rijeka, Split, Ploce and Dubrovnik, it added.

The police said the weapons found in the premises of the alleged humanitarian organizations in these towns included "automatic rifles, anti-tank weapons, a large quantity of ammunition, machine guns, and a considerable quantity of mines and explosives."

A long-range radio station was discovered in a warehouse used by a humanitarian organization in downtown Zagreb, but the police have not yet established who was using it. A large sum of money in foreign currency, gold, forged documents, blank forms issued by some foreign governmental institutions and a number of vehicles with forged papers were also found.

All this shows that some individuals have abused the hospitality of the Republic of Croatia and marred the reputation of humanitarian organizations by engaging in illicit activities, the ministry said. No other details about the investigation have been revealed.

### Tudjman Holds Talks With UN Deputy Chairmen

*LD1808215393 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 18 Aug 93*

[Excerpt] Croatian President Franjo Tudjman had talks with the Geneva conference deputy chairmen in Brioni today. The topic of the meeting was the draft global agreement on the cease-fire and the end of hostilities in Croatia. The Croatian delegation also included Slavko Degoricija, president of Croatia's state delegation for talks with Serbs from the occupied territories; Miomir Zuzul, Croatian ambassador to the UN; Interior Minister Ivan Jarnjak; and Miro Tudjman, deputy head of department for national security. Silvana Pavle sent this report:

[Pavle] After the meeting with President Tudjman, Ambassador Geerd Ahrens [assistant to cochairmen of the conference] made the following statement:

[Begin Ahrens recording, in English with passage by passage translation to Serbo-Croatian] We are grateful to the president for devoting some time to talk to us. It was really an opportunity of discussing the issues at stake and hearing what the president thinks about it. Of course, there is still a big gap between the position which was given to us by the president and what we will hear tomorrow in Plitvice. One should never give up hope, and we shall do our best to bridge that gap. [end recording]

Knut Vollebaek, deputy chairman of the Geneva conference on former Yugoslavia, made this statement about this evening's talks in Brioni:

[Begin Vollebaek recording, in English with passage by passage translation to Serbo-Croatian] There is not very much more to add to what Ambassador Ahrens has just said. This is a process and our aim of course is to find a peaceful solution to a conflict in Croatia. We have been trying—Ambassador Ahrens for much more time than I—to find venues that are agreeable to both sides. Sometimes, I think we had hoped, maybe in Geneva last week, that we had come maybe a little bit further than what we actually are just now. It's a demanding task. It demands a lot of imagination and ways of, well, new thinking so to say. And I think this evening has been very useful for us, and as Ambassador Ahrens said, I mean, I think, it was a great step and honour for us that the president could receive us and discuss these issues with us. And we will take the message and the ideas and thoughts that we have received here with us and continue the work that we are doing. I understand that the president is going to Geneva tomorrow and I suppose that, in spite of the fact that Bosnia, of course, is the main issue that they will discuss there, but I think that this issue that we are concerned with would also be raised by the cochairmen. [end recording] [passage omitted]

## Thornberry Receives 'Persona Non Grata' Threats

*LD1908015993 Belgrade TANJUG in English 2342 GMT 18 Aug 93*

[Text] Belgrade, August 18 (TANJUG)—The former Yugoslav Republic of Croatia has threatened with declaring head of the civilian component of the United Nations Protection Force (UNPROFOR) Cedric Thornberry a persona non grata because of his "partial" and "incorrect" reports to the U.N. secretary general. "We have received many demands that he (Thornberry) be declared a persona non grata," said Croatian Deputy Prime Minister Vladimir Seks in an interview published by the Zagreb daily VJESNIK in its Thursday [19 August] edition.

In his "last warning" to the Irish diplomat, Seks said he would personally propose that Croatia should seek Thornberry's recall if he refused to implement the U.N. policy. Seks criticized senior UNPROFOR officials of putting the equation mark between two different policies (that of Zagreb and of the Serbs), said the France-Presse news agency.

In March 1992, the United Nations deployed its peacekeepers in the territory of the republic of Serb Krajina (RSK). The RSK was proclaimed two years ago by Serbs in areas within the administrative borders of Croatia where they make up the majority population. The move came in response to Croatia's forcible secession from the former Yugoslav federation and attempts to downgrade the status of the Serbian people to that of an ethnic minority.

Croatia, which does not recognize the RSK, is trying to establish control over the RSK territory by force and in doing so attacks also U.N. peacekeepers.

## Krajina Adopts Measures To Revive Economy

*LD1808194193 Belgrade TANJUG Domestic Service in Serbo-Croatian 1603 GMT 18 Aug 93*

[Excerpt] Knin, 18 Aug (TANJUG)—The government of the republic of Serb Krajina [RSK] adopted today a program of measures aimed at reviving the economy.

RSK Prime Minister Djordje Bjegovic and Nebojsa Arbutin, minister of economic relations, development, and industry, explained these measures at a press conference in Knin. They said that about $1.5 million will be invested in the wood processing, metal, and textile industries.

In this way almost the entire first money issue (80 percent) for the last quarter of this year will be spent to revive industrial production. [passage omitted]

## Data on Transportation Minister Mudrinic

*93BA1349D Zagreb DANAS in Serbo-Croatian 23 Jul 93 pp 24-25*

[Article by Darko Pavicic: "Fate of the Pontoon"]

[Excerpts] *The 38-year-old native of Drnis is a man with considerable international experience in the field of telecommunications in particular, which in the opinion of many people sets him apart from other ministers in terms of expertise in the job that he is performing.*

There are unquestionably many people who deserve credit for the erection of the pontoon bridge at Novska Gorge, from politicians at the very top to workers who helped build the pontoon, but it seems that the confluence of circumstances has advanced the cabinet minister as the person who bears the greatest responsibility for what has happened. This will clearly define the political destiny of Ivica Mudrinic, the minister of transportation, maritime affairs, and communication, in the near future. [passage omitted]

**New Outlook on Communication**

But who is Ivica Mudrinic, the current minister of transportation, maritime affairs, and communication?

The 38-year-old native of Drnis (the village of Promine, near Drnis) is a man with considerable international experience in the field of telecommunications in particular, which in the opinion of many people sets him apart from other ministers in terms of expertise in the job that he is performing. He spent 20 years in Canada, where he graduated from the School of Electrical Engineering in Toronto, worked for several prominent international telecommunication companies, had his own company in Canada, registered a patent in the United States, and returned to Croatia after the elections, where as an HDZ [Croatian Democratic Community] veteran (in 1989) he was first an advisor in the Office of the President of the Republic, then deputy minister of transportation and communication, after which he became the minister of the department on 12 May of last year, to which the area of maritime affairs had been added.

Those who know something about telecommunications say that Mudrinic brought with him to Croatia an entirely new outlook on developing the overall communication system, which should make Croatia compatible with the world and with Europe. "Optical cable" is the most tangible material handled by Mudrinic and in many ways exemplifies his role in the communication system, which has led to incomprehension and resistance to the introduction of technological innovations among many people.

"Croatia must adopt new technologies, because we are on the verge of an information revolution," he said recently, interpreting the need for Croatia's information development. But aside from this, attention within the communication system was recently concentrated on his ministry because of rumors of changes to the law on the media, in the form of opening up the possibility of setting up private television stations, for which the Ministry of Transportation, Maritime Affairs, and Communication would have to clarify the basic condition, frequencies. This move would certainly mean a lot in terms of breaking up the monopoly in the television news system and would bring Croatian citizens closer to other Europeans, to whom 10 buttons on the TV remote control mean primarily the choice of that many programs.

Maritime affairs are a different story, and many were of the opinion that because of the importance of maritime affairs and shipbuilding Croatia needed a special ministry, but time and the results achieved by the current ministry will tell to what extent they were right. Minister Mudrinic will say only that "the example of Maslenica shows that we have competent shipbuilders, because there are few countries that could have built and erected this sort of pontoon in such a short time."

**Roads First in Line**

But the very first thing in line will be road transportation, which has been slowly deteriorating, like a worn overlay, since the beginning of the aggression against Croatia. But it is still necessary to take detours. Indeed, when we recall the road development program in Croatia from 1991, the only thing that can be concluded is that the war took a huge tribute. Figures indicate that more than 60 bridges have been destroyed throughout the state, while many roads have been damaged and partially destroyed. The war has directly affected the decline in foreign transit and domestic transportation, which has reduced revenues from roads to less than one-half of the prewar amount. When one adds to this the problems in obtaining foreign loans, it is clear that the situation is certainly not rosy. [passage omitted]

Thus, in the subsequent period the minister will share the fate of the pontoon, the unstable brace that despite everything connects two sides, still in target range, but with the prospect of becoming a solid and stable bridge in the foreseeable future. Which could, if it wears out at any place, reflect on Mudrinic's ministry and on all the plans facing him, from the highway to Lipovac to the St. Roka tunnel, regardless. Which, of course, would inevitably have an effect on many others outside the formal department in question.

### Prosecutor Gives Reasons for Interrogating Jansa

*AU1708163293 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 17 Aug 93*

[Text] The higher public prosecutor's office in Maribor today issued an explanation concerning the interrogation of Defense Minister Janez Jansa at the Maribor court.

The explanation establishes that the proposal to interrogate the defense minister as a witness in the case of arms discovered at the Maribor airport is mandatory and valid. The reasons for such a conclusion are the following: Janez Jansa not merely discovered the arms, but also stated their origin and named a public person that allegedly traded with these arms.

In the opinion of the higher public prosecutor, Janez Jansa is familiar with the circumstances in which a special military unit had handled the arms it was protecting prior to the arrival of the investigation judge. As the third reason, they state discrepancies in the conclusions of the Defense Ministry and the Interior Ministry, which must be resolved.

As the final reason for the interrogation of Janez Jansa, the prosecutor's office posed a question as to why the military intelligence service had not discover the illegal activities of the civilian security-information service for such a long period of time, bearing in mind that the military informers are responsible for arms' deals.

### Kucan Meets With Austrian Parliament President

*93BA1325D Ljubljana SLOVENEC in Slovene 21 Jul 93 p 1*

[Article by Franci Hauc: "Talks Between Kucan and Dr. Fischer"]

[Text] Maribor—Yesterday afternoon, Slovene President Milan Kucan and president of the Austrian parliament Dr. Heinz Fischer, who is on a working visit to our country, met in the offices of the Secondary School for the Hotel and Tourism Industry in Maribor. During talks lasting about two hours, they touched upon bilateral relations and the international situation, with the emphasis on the war in Bosnia-Herzegovina.

At a press conference after the talks, Dr. Fischer spoke first about Slovenia's possibilities for joining the community of European peoples. In his opinion, the expectation that Slovenia will achieve that position in six to eight years is realistic. The presidents informed each other about several issues, but Dr. Fischer expressed the hope that in the event of mistakes at the Krsko [nuclear] power plant, Austria would be informed earlier than it was recently, when it was informed 24 hours after the mistake.

In response to a reporter's question about what he thought about the discovery of weapons at the Maribor airport and about the alleged involvement of Maribor VIS [Security-Information Service] chief Silvo Komar, President Kucan said, among other things: "I do not have any official report on the discovery and the progress of the investigation. I must say that Slovenia is not a state whose official bodies would traffic in weapons. The international aspect of this discovery is thus important enough that the Slovene Government should also express an opinion on it as soon as possible. Specifically, we need to dispel any suspicion that Slovenia, as a member of the UN, does not respect that organization's rules. I spoke about this today with Prime Minister Dr. Janez Drnovsek. The involvement of former chief Silvo Komar will have to be confirmed by the investigation."

### Unemployment Rate Lower Than Reported

*93BA1325E Ljubljana SLOVENEC in Slovene 21 Jul 93 p 1*

[Article by M. L.: "Fewer People Unemployed"]

[Text] Ljubljana—The unemployment rate in Slovenia is not 14 percent, but rather 9.1 percent. There are thus 85,000 people unemployed, not 125,000. This was determined by a poll on personnel resources, which was carried out by the Republic Employment Institute and Statistics Institute with monetary assistance from the Ministry of Labor.

There were 23,812 people polled—1.2 percent of the population. The sample was large enough that the data could be recalculated for the entire population. The respondents also had to answer a question about whether they had done any sort of work in return for payment during the week prior to the poll. Many of the unemployed are working under contract or in return for honoraria, and a consequence of this is also the difference between the unemployment rates. The aforementioned poll was carried out in accordance with the methodological and substantive standards of the International Labor Organization [ILO] and is internationally comparable. A difference in the number of people unemployed according to the ILO definition and according to the registry of employment services is common everywhere in Europe.

## Federal

### National Bank Official Announces New Exchange Rate

*LD1808183693 Belgrade TANJUG Domestic Service in Serbo-Croatian 1559 GMT 18 Aug 93*

[Excerpts] Belgrade, 18 Aug (TANJUG)— Addressing a news conference today, Federal Prime Minister Radoje Kontic, accompanied by the prime ministers of Serbia and Montenegro, Nikola Sainovic and Milo Djukanovic, respectively, outlined the measures of his economic policy for the second half of the year with, according to him, the emphasis on prices policy.

Before outlining the measures, Kontic stressed that basically his current concept remains unchanged from the program orientations outlined by him in early March in the federal parliament.

The objectives remain the same: To reduce hyperinflation and to slow down the fall in production and the standard of living. The new measures, however, imply increased state intervention in the area of material and financial resources as well as an enhanced rule of law, Kontic explained. [passage omitted]

Zarko Trbojevic, acting deputy governor of the National Bank of Yugoslavia, addressing the news conference, said that as of 1400 today a new dinar exchange rate came into force whereby $1 is worth 105 million dinars and one mark worth 62.75 million dinars. He said that the dinar exchange rate now reflects real supply and demand on the parallel market.

This is a 93.3 percent adjustement in the value of the dinar in relation to the dollar and one of 93.6 percent in relation to the mark, Trbojevic said. He went on to stress that the new exchange rate lags behind the parallel market exchange rate by 51.4 percent. The discrepancy is a result of inflationary expectations. [passage omitted]

### Police Use of Force Against Journalists

*93BA1336B Belgrade VREME in Serbo-Croatian 26 Jul 93 p 27*

[Article by U. Komlenovic: "Rent-a-Billy"]

[Text] Upon hearing that the police here beat someone in passing without any reason whatsoever, the domestic public does not react any more sharply than to the news that a dog has bitten someone. Nevertheless, what happened about 2100 hours last Saturday to Slavisa Lekic, BORBA reporter, certainly deserves attention and raises many questions.

Lekic experienced the first unpleasant surprise that evening when he entered a taxi across the street from the BORBA building and saw that this form of transportation had become more expensive. Realizing that he did not have enough money for the trip home, Lekic got out of the taxi after 10 meters or so and crossed to the other side of the street. His path was suddenly blocked by a white Golf automobile from which two men jumped out. One held a "Motorola" in his hands, and the other without a word, in the best style of police grips, seized the BORBA journalist by his little finger and forced him to bend over. Not realizing what was going on, after he received the first slap, Lekic tried to defend himself, but he calmed down when he heard the explanation, reinforced by a strong and precise blow to his left eye: "We are the police."

Then came the showing of papers and a new explanation—as soon as they saw his press pass, the attackers said it had been a mistake. Lekic's insistence that they go together to the city SUP [Secretariat for Internal Affairs] or to the Stari Grad Police Station, several hundred meters away, was rejected, but the man with the "Motorola" consented to escort the bloodied journalist to the nearby pizzeria Rapsodija. There, a group of BORBA journalists immediately realized what had happened, and it was only Lekic's persistence that saved the alleged policeman from a beating. The armed attacker repeated the argument about a mistake ("my colleague was nervous"), said that he belonged to a team that provided security for Zoran Lilic, president of the FRY, somehow managed to get out of the pizzeria and jump into the Golf, where his nervous colleague was waiting for him, and fled. None of those present managed to note down the license number of the car nor to get a look at the attacker's papers.

#### Investigation

Two policemen in uniform soon arrived in response to the call of the gathered journalists. The policemen introduced themselves as "car patrol 6002" and conducted an investigation. One of them (whose name is Vladimir and is known to come from Uzice) telephoned someone and explained that "the victim and witnesses say that it was Lilic's security." After a brief pause, the policeman laughed, said "all right," and put down the receiver. After the investigation, the policemen went off to the station, and Lekic went to the emergency room.

In the days that followed, the journalists learned that neither the city SUP nor the Stari Grad Police Station had any information whatsoever about the investigation conducted in front of some 20 people, and the federal MUP [Ministry of Internal Affairs] issued a statement that on Saturday there was no security employee of a federal official in Belgrade?!

"I really believed from the outset that I was beaten by mistake," Slavisa Lekic says. "However, when I realized that there is no information about the police going to the Rapsodija, I began to doubt. We have learned unofficially that people from the federal MUP did look into this case and they were told at the Stari Grad Police Station that there is no information about an investigation!"

**Rate of Hits**

In any case, at this point one can only speculate about this occurrence, which is perhaps related to the recent beating of the journalist from Radio B-92. In the multitude of possible versions, two stand out. Lekic might very well have been beaten by Zoran Lilic's bodyguards (or some other employees of MUP), who in their free time collect debts for a commission (if it was a mistake), or to put sense in the heads of recalcitrant journalists (if it was not). According to the other version, this was simple carelessness on the part of idle employees of the MUP who, it seems, felt like beating up someone. (However incredible this might sound at first, this version should by no means be rejected, because many people in Belgrade have experienced similar troubles in recent weeks.) Slavisa Lekic says:

"If they beat me up by mistake, then there is the question which one of my colleagues asked: What is their overall rate of hits? That is why I would like to know the truth, because if their target was Slavisa Lekic the journalist, then he will find a way, using the methods appropriate to this law-governed state, himself or with the help of friends, to pay it back properly. But if citizen Slavisa Lekic, random pedestrian, was attacked, then there is nothing else he can do but to support the argument of Radmilo Bogdanovic that 70,000 police in Serbia are not enough. On the average, it takes half an hour for two policemen to beat up a citizen and explain to him that they have made a mistake. A shift lasts eight hours, and so it is possible to beat up only 560,000 citizens per day. That is not even 5 percent of the population!"

Slavisa Lekic is sporting quite a large purple-red bruise beneath his left eye. The one on his arm is more splendid, it has shades of yellow. Some 40 messages of support have been recorded on Lekic's answering machine, one of them stating: "This is just a warning."

## Serbia

### Prime Minister Announces New Economic Measures

*AU1808202893 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 18 Aug 93*

[Report by Maja Vojnovic]

[Text] Since last night, the prices of vital goods have been capped, while the manufacturers are obliged to supply the market with the goods that the country has at its disposal. This is merely one of the decrees that the Serbian Government adopted at last night's session as a part of the measures for stabilization of the situation on the market, stimulation of production, and better protection of the socially most endangered people. Serbian Prime Minister Nikola Sainovic briefed the journalists about the aforementioned program at a private news conference:

[Begin recording] [Vojnovic] Prime Minister explained that the measures are a part of a unique program, implemented by the Federal Government, the National Bank of Yugoslavia, and the republican governments. Speaking of the program's objectives, the republican prime minister also said the following:

[Sainovic] This program represents the response of Yugoslavia to the circumstances in which it lives nowadays, a reply to its own nation in terms of protection of the standard of living of the citizens and social security for the most endangered categories of the population, and a reply to the world that, during these difficult times, this country, which relies on its own national material and human resources, will be in a position to decide about its historic goals.

[Vojnovic] The measures that the Serbian Government passed at last night's session will, in practice, allow the most active influence on all market trends, which will be mirrored in the changes of more than 30 laws and decrees. These are the laws that should improve the social protection, the changes in the labor legislation, changes in the taxation system, and decrees that give more effective powers to the supervisory organs. A substantial part of the program refers to the decrees by which prices of some vital goods have been frozen, with previously agreed parities. There are also decrees by which the goods that do exist will have to be made available to the residents.

The most interesting is definitely a decree by which it will be made possible for the state to change the management in socially-owned enterprises that overcharge for their goods or do not offer them to the market, or even entrust the entire enterprise to another in order to stabilize the situation on the market. Explaining this decree, Minister of Industry Momir Pavlicevic said that this by no means represents an introduction of a compulsive economy [komandna privreda] but that enormous queues and shortages can no longer be tolerated.

In connection with this also comes a new price of labor that has been set at 4 billion 230 million dinars. This is the latest correction for the month of July that will be paid out in August. Speaking of this, Pavlicevic said he believed that the minimal price of labor will be regulated differently in the future, as the government hopes for a slowdown in the price increases.

Dragoslav Jovanovic, deputy Serbian prime minister, informed the journalists of the changes to the taxation system. In the sphere of value added tax, the tax will be raised, for example, for furniture and domestic appliances, but will be reduced for goods aimed at children. The basic tax on payment in kind with agricultural goods will also by reduced by 50 percent. Taxes on pensions and handicapped peoples' benefits have been abolished. However, all salaries will be taxed in the future. As new taxes, a 1 percent tax on all financial transactions and a 1 percent tax on gross salaries and other incomes paid by the companies and those who engage in agricultural

production, have been imposed. The tax on citizens' property will be revalued by several thousand percent.

Minister Pavlicevic also said that the latest measures will finally be able to offer support to production, to either preserve it or halt its decline. In some spheres, like the food industry, a substantial support of the state is expected in the increase of production.

Other information from this news conference is that there will be a sufficient quantity of foreign currency for the import of raw materials for the chemical and pharmaceutical industry. Sufficient quantities of energy for industry, transportation, heating, and agriculture should be secured by the end of the winter season.

Finally, when asked whether the prices that had been increased last night will be brought down to their previous level, we were told that this must happen, especially because it has become apparent that, even so far, the production prices grew much slower that the retail prices. [end recording]

## 'Art of Survival' in Belgrade Viewed

*93BA1331B Belgrade POLITIKA in Serbo-Croatian 19 Jul 93 p 8*

[Article by Ljiljana Rabrenovic: "The Art of Survival: From the Supermarket Without a Receipt"]

[Text] It is an incredible time. Poverty and misery are squeezing us ever more tightly. There is not even enough money for food and drugs, not to mention your wardrobe and household needs. Many people look back longingly to an earlier period when freezers were full, when you bought fruit "for future delivery," ate lunch in restaurants, and dressed according to the latest fashion. Few people believe that anything is going to change soon and that we will live at least as we once did.

Yesterday, a 70-year-old woman went into C-Market and filled her basket with food. And while two gray-haired gentlemen were writing checks at the register, and the checker was busy counting money, the old woman slipped between them and left the store with rapid steps. Witnesses were amazed, but no one reacted nor uttered a single word. As if they all understood and condoned that desperate move.

An incident that occurred in the pharmacy of the Health Center of Block 44 in New Belgrade also tells of the terrible time in which we live. A man asked for a drug which is very expensive. When the woman pharmacist brought it to him, he simply grabbed it and fled outside. Those who were there were left stupefied. However, an hour later the man returned. He probably could not resist his conscience.

### Vegetables From Neighbors

Milivoje Zaric says that he and his wife cannot put food on the table with their pension, which is now 19 million dinars.

"Every day I go with my neighbor to his garden, I help him, and in return he gives me vegetables. Another friend of mine has chickens. And very often I do him a favor, so that I also get a little meat," Zaric says.

Mirko Knezevic, a technician employed in the 7 July Construction Firm, says that he cannot feed his family on his salary.

"After work, I do physical labor for a private operator. I rest only on Sunday. However, believe me, even with that additional money we have a hard time making ends meet. The hardest thing for me is that I cannot do some nice little thing for the children. It is rare that I give them money to go to the movies," said Mirko Knezevic.

"I do not know myself how we survive. Although my husband and I work, there is not enough money. We calculate with the checks, we are always overdrawn, but there is no other way. The lucky thing is that through the trade unions we are able to get oil, sugar, flour, and detergent at somewhat lower prices. If anyone goes to jail for checks that are not covered, it will certainly be me," says Marica Paunovic, employed in Jugoeksport.

### How To Explain the Scarcity to Children

"I cannot explain what has happened to us to myself, much less to the children. We are coming onto the 21st century, and we do not have bread to eat. The children want to go to the seashore. They simply cannot understand that there is no money. I am working 15 hours a day just to feed the four of us. However much I earn, it is still too little," says Petar Lugonjic, who works at 25 Maja.

"I have a friend who is a painter, so that after work I go and help him. Everything I earn we spend for food. However, even what we buy is 'slim pickings,'" says Zoran Jakupovic of Medakovic Naselje.

Zora Jeftovic, a pensioner who lives in Braca Jerkovic Street, says that she has not seen meat for months. Even then, relatives helped out with 10 million dinars.

"When I suddenly got that money, I went to the butcher shop and bought a kilogram of pork chops. I put each one in a separate little bag in the freezer. Now, I will have at least a little bit of meat when I want, because my pension is only enough to pay utilities, bread, and a few vegetables and eggs," says Zora Jeftovic.

In the opinion of Velizar Jocic, the government is to blame for everything happening to us.

"Only the criminals have money today. There is no honest way to earn enough even for staples. I am in awe of this nation, which says nothing, endures, and waits for better times to come. I can no longer wait, and I am soon going abroad. At least there I will be able to feed myself like a human being," says Velizar Jocic.

## Montenegro

### Republic's Agreement With Jugoskandik Examined

*93BA1331A Belgrade POLITIKA in Serbo-Croatian 22 Jul 93 p 11*

[Article by D. Becirovic: "Fuel to Jugopetrol and Foreign Exchange to the Bank"]

[Text] Podgorica, 21 Jul—The big ruckus over Jugoskandik, Banka Privatne Privrede [Private Business Bank] in Podgorica, Jugopetrol of Kotor, and the savings depositors suddenly quieted down at the beginning of this month. When the depositors lost hope that they would see their foreign exchange, Banka Male Privrede [Small Business Bank] all of a sudden invited them to come in and they would pay the principal. That lasted a few days. We do not know if all the depositors were paid off, because the bank was closed because of annual vacations.

How come Milorad Vukotic, Jezda's [Jugoskandik owner Jezdimir Vaslijevic] partner and a director of the bank, all of a sudden had money? At the beginning, the public could not get an answer, and then it turned out that on 7 July, exactly when the enforcement judge, Natasa Boskovic, called for the court judgment on the sale of the petroleum to be carried out, the proponent of the execution—Banka Privatne Privrede, called for the execution to be halted. That day a deal was struck between Jugoskandik, Jugopetrol, and Banka Privatne Privrede whereby Jugoskandik transferred the ownership of the petroleum to the bank, and the latter would pay Jugopetrol Jugoskandik's obligations for storage contained in a document whereby Banka Privatne Privrede agreed to pay Jugoskandik 550,000 marks [DM], while Jugopetrol would give Banka Privatne Privrede the option to buy two million tons of petroleum. Jugopetrol committed itself to pay the bank DM2.75 million, and after all that they all withdrew their suits.

A settlement like that looks like a deception clear only to those who took part in it. No one knows how much gasoline there really was, where it was, and how much was sold. It is only clear that the "belligerents" settled accounts between them with gasoline which for all practical purposes was not there, because Jezdimir Vasiljevic bought it with the foreign exchange of savings depositors from all over the country. Banka Privatne Privrede now admits, of course, the debts to the savings depositors only from Podgorica, while it does not accept obligations to the others, although they have their passbooks.

Did Jezda's gasoline "dry up"? Nor is there any answer to that question, but one report last Friday from Novi Pazar suggests the thought that Jezda's petroleum legacy is still being purveyed by Micko. That is, on 15 July the newspapers reported that in Ribarici, on the Adriatic Highway, the financial police confiscated 12 tank trunks near Novi Pusar containing more than 300,000 liters of petroleum. That petroleum, it was said, went to Kosovo from Bar. Its value was about DM500,000. The petroleum was pumped into the tanks of Jugopetrol in Novi Pazar and Raska, the driver said that the petroleum came from Jezda's tanks in Bar, that Banka Privatne Privrede in Podgorica was its owner, and that the petroleum, through a Macedonian private intermediary, had been sold to a private gas station in Podujevo.

As for documents, the drivers had only a bill of lading, and this was for the trip from Bar to Podgorica. It is interesting, however, that a convoy of 12 tank trucks full of petroleum was able to make the trip without documents from Podgorica to Novi Pazar, and that no one stopped it and asked for papers.

The people in Novi Pazar confiscated the petroleum, and neither Banka Privatne Privrede nor Jugoskandik has said a word.

## Macedonia

### Rumors of Explosion on Railway Line Near FRY Border

*LD1808183493 Belgrade TANJUG Domestic Service in Serbo-Croatian 1718 GMT 18 Aug 93*

[Text] Skopje, 18 Aug (TANJUG)—The official authorities in Skopje have neither denied nor confirmed today's news about an explosion that allegedly occurred on the railway line near Kumanovo, close to the border between the Former Yugoslav Republic of Macedonia and the Federal Republic of Yugoslavia.

The only certain fact is that the train, which was due to arrive in Skopje from the FRY early in the morning, arrived only around noon, with several hours' delay. Lacking an official explanation, a rumor spread among the residents of Skopje this morning that an explosive device went off on the railway line near the village of Tabanovci, close to the border between Macedonia and the FRY.

Passengers from Serbia, mainly people who sell cheese and other food at open markets in Skopje, say that the train waited for a long time to enter Kumanovo because the police were searching for arms allegedly being smuggled on the train. According to passengers' accounts, in their search for the arms, the police tore down partition walls on the train.

### Government Introduces Passport Controls on Border

*AU1908094093 Skopje NOVA MAKEDONIJA in Macedonian 17 Aug 93 p 2*

[Z.P. report: "Accurate Record of Foreigners"]

[Text] Following a decision of the government of the Republic of Macedonia it will soon only be possible to cross the border between Macedonia and the Federal

Republic of Yugoslavia with a passport. According to Interior Minister Ljubomir Frckovski, the new passport regime will be officially introduced toward the end of this month or the beginning of next. The Macedonian Foreign Ministry will announce the exact date when it sends an official note to our northern neighbor's respective ministry informing it on this matter. This means that ya little over a year after the official existence of the border between the two states, which has so far been crossed with a provisional solution—identity cards—international standards will be adopted and it will only be possible to cross the interstate border with passports.

According to Minister Frckovski, the system governing the crossing of the border will not be a strict one, but simply the normal, standard one. It is still to be decided on which basic principles the border area will be defined, and in this respect also the benefits for the border area residents who will cross the state border of Macedonia with other documents, as additionally established by the government and the Foreign Ministry.

The elementary reason for the introduction of the passport regime with Yugoslavia, according to what Frckovski said at a recent news conference, is to obtain an accurate record of the people entering and leaving Macedonia by its northern border. With the present identity cards it was impossible to know the exact number of these people and the period and frequency of their stay in the republic, because there were no appropriate entry and exit stamps. According to the interior minister, this is especially important because of the increase in the number of crimes committed by foreigners in Macedonia or by our citizens closely related to them. According to the police department, the trend of crimes in which foreigners are involved is increasing, which is not to be underestimated in Macedonia. To show that it is no small number of citizens from Yugoslavia that enter Macedonia daily, we can report that on "the quietest" days their number amounts to about 7,000, while on the busiest days the number goes up to 30,000. A responsible state, Frckovski says, must always bear this number in mind, but it is important to underline that the introduction of the passport regime does not at all represent a kind of a restriction regarding some foreign citizens, but is related to the need for normal, standard information necessary to establish a border regime with a foreign country.

What is particularly important about the passport regime and standards for crossing borders is the list of people who will be forbidden to enter the Republic of Macedonia. It is the list of war criminals compiled by international organizations and institutions ("Helsinki Watch"), which will be distributed to all border crossings, and, if necessary, the list will be "enhanced" with the persons' photographs. The interior minister emphasized the possibility for us to expand of the list by providing security information about people who work for foreign army structures, in this case for the Yugoslav Army, and whose families live in the Republic of Macedonia. This applies in particular to a number of army officials employed in the army security and intelligence services of the Yugoslav Army. Their entry and activities in Macedonia, according to Frckovski, will be treated according to their position in the foreign army, with the aim of introducing a standard in this area, too.

## Party Expresses Concern Over Albanians in Army

*AU1908083793 Skopje NOVA MAKEDONIJA in Macedonian 18 Aug 93 p 2*

[Unattributed report: "Going Back to 'the National Key' in the Army of the Republic of Macedonia]

[Text] In a statement for the public yesterday VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian Naitonal Unity] expresses its concern and reacts to the report according to which, in breach of the Defense Law, 40 army officers of the Albanian national minority in the Republic of Macedonia, personnel of the "Goce Delcev" military barracks, and an additional 120 military "officers" of the reserve are undergoing express training in Krivolak. The knowledge that the size of the Army of the Republic of Macedonia has to be increased by 300 officers who are members of the Albanian minority, in disregard of professional criteria, smacks of a return to "the national key" of the communist era, under the guidance of the greatest "actors" for the civil state concept, the successors of the Communist Party—the ruling Party of the Social Democratic Alliance of Macedonia. VMRO-DPMNE says at the end of the statement that such short-term and unwise actions could have unforeseeable consequences for the statehood of Macedonia.

## LDK Protests Decision on Passports on Border

*AU1808154493 Tirana Radio Tirana Network in Albanian 1330 GMT 18 Aug 93*

[Text] The Kosova Democratic Alliance [LDK] Presidency issued a public statement regarding the decision by the Macedonian authorities on the application of the regime of passports on the border between Macedonia and Kosova.

The statement says that the application of this regime would have many consequences for the citizens of Kosova and other Albanians in the areas of the former Yugoslavia, who have traditional, family, and other relations with Kosova. The application of passports increases tension in the region, but also makes impossible the circulation of Kosovars, whom Serbia does not grant travel documents. Thus, Kosova is subject to the most serious blockade: on the entry to, and normal communications with, Skopje and other cities.

We hope that there were opportunities for the Macedonian officials to have more understanding about this situation and a more open [word indistinct] to the interests of both sides, the LDK communique concludes.

## Kosovo

### Party Protests 'Brutal' Raids, Arrests by Militia

*AU1808171193 Tirana ATA in English 1014 GMT 18 Aug 93*

[Text] Tirana, August 18 (ATA)—Six times within the past few months, the Serbian militia has brutally raided the headquarters of the National Unity Party (UNIKOMB), arresting and beating leaders and activists and removing documents from the party archives, according to a report in the newspaper RILINDJA. These raids by the Serbian militia, which were carried out without any justification whatsoever, are no more than acts of vandalism aimed at crippling the party, although its program is fully in accord with the appropriate legal statutes. Protesting against the raids, RILINDJA writes that the members of UNIKOMB and the other political parties that never in their history have the Albanians been intimidated by repression and violence. Although they are subject to the most barbarous violence, the Albanians are putting up a determined resistance in defence of their national and human dignity, in keeping with one of their most noted national traits. Militia tactics including forcible interrogations of UNIKOMB Presidency members, arbitrary arrests of party members, the beating of Bajrush Behrami, party chief in Podujeve, and most recently assaults on Sherif Konjufca, Dalip Dalipi, and others give convincing evidence of the militia's intention to inhibit UNIKOMB activity. In spite of these attempts at intimidation, the party will continue to exist.

The Serbian policy of restricting political activity of the ethnic Albanians in Kosova is beyond law or logic.

### ATA: Serbian Forces Encircle Village on Border

*AU1908081693 Tirana ATA in English 0806 GMT 19 Aug 93*

[Text] Tirana, August 19 (ATA)—The information centre of Gjakova reports that on August 17, at about 01 00, armed army and police forces encircled the Batushe village, in the border zone with Albania. According to reports, other police and army forces from Prizren and Peja have reinforced Serbian forces in Batushe. After 01 00 single shots have been heard on the border side. An armed vehicle and 30 policemen have been stationed in the entrance of the village in the direction of the Gjakova road. There is mobility of police and army forces. The inhabitants of this zone are worried over their family members who are in the mountain and hills with the livestock and not yet returned home. It is impossible to go into the spot. The event near the border may be a sort of punitive operation against the Albanian population in the Batushe border village.